BANKO PETROLEUM MANAGEMENT INC.

CONFIDENTIAL

VIA FEDERAL EXPRESS – PRIORITY DELIVERY

Mr. Matt Baker
Bureau of Land Management
Vernal Field Office
170 South 500 East
Vernal, Utah 84078-2727

June 20, 2006

RE: Application for Permit to Drill
EnCana Oil & Gas (USA) Inc. - Operator
Federal 23-29
API #43-047-35262
1,980' FSL 1,980' FWL (NE/4 SW/4)
Sec. 29 T8S R23E
Uintah County, Utah
Federal Lease: UTU76042

RECEIVED
JUN 22 2006
DIV. OF OIL, GAS & MINING

Dear Mr. Baker:

Enclosed please find the Application for Permit to Drill (APD), for the above captioned well, filed on behalf of EnCana Oil & Gas (USA) Inc. (EnCana). By separate letter, we are sending originals of this application to the Utah Division of Oil, Gas and Mining (UDOGM), along with the Utah State APD Form 3.

This filing contains the following attachments: drilling program, On-shore Order #2 casing calculations, BOP Diagram, surface use plan, wells within a one-mile radius, survey plats, cross-sections, cut and fills, and area road/access maps.

The wellsite was staked at 1,980' FSL 1,980' FWL (NE/4 SW/4) of Sec. 29 T8S R23E in Uintah County on April 3, 2006, with stakes refreshed on June 6, 2006 by Uintah Engineering & Surveying (Uintah), Surveyor, on a site that was geologically, legally, and topographically acceptable.

A Notice of Staking (NOS) was submitted to the Bureau of Land Management (BLM) in Vernal by our office on April 20, 2006 for this location.

An on-site meeting occurred on June 6, 2006. Attending were: Nathanial West and Brandon McDonald – BLM; Bart Hunting – Uintah; and Keith Dana – Dana Consulting, Permit Agent.

This location was previously staked and permitted by EnCana and approved by the BLM and UDOGM and given API 43-047-35262. EnCana did not conduct any construction nor drill the well and the permit expired.

385 Inverness Parkway, Suite 420 • Englewood, CO 80112-5849 • USA • 303.820.4480 • Fax 303.820.4124
E-mail: david@banko1.com • Home site: www.banko1.com

We understand that access is authorized on federal lands with ROW UTU77684, which also provides access to the North Chapita Federal 24-31, 44-30, and the 44-31 locations, to be operated by EnCana. The ROW UTU77684 width is thirty (30) feet, with a length of 4.42 miles and the next billing date by BLM is January 1, 2007. This ROW utilizes existing access roads in Secs. 25 and 35 T8S R23E and Secs. 30 and 31 T8S R22E to State Highway 45. Please contact us if authorized federal access ROW to this location is not in order, or if BLM has additional requirements.

Additional ROW research identifies a pipeline ROW initiated by EnCana on December 1, 2003. The application was withdrawn by EnCana on January 13, 2005 and the case was closed on February 16, 2005. A monitoring fee of $50.00 and a rental fee of $50.00 were refunded to EnCana on June 1, 2005. We have inserted a request for BLM to initiate a pipeline ROW. EnCana has requested approximately 2500' of 4" buried steel running westerly which will tie into the pipeline in corner of NESE of Sec. 30 T8S R23E. ROW request is for 30' with an additional 30' of working surface during construction. After construction is complete the additional 30' is to be rehabilitated. In the event production is established this well will be connected to EnCana Gathering Services (USA) Inc.'s gathering system.

Please send a copy of all correspondence to Banko Petroleum Management Inc. at 385 Inverness Parkway, Suite 420, Englewood, CO 80112-5849. Please contact David Banko or Kathy Schneebeck at 303-820-4480, or at david@banko1.com or kathys@banko1.com, respectively, if you have any questions or additional requirements.

Your early attention to this application is greatly appreciated. Thank you for your concern.

Very truly yours,

Kathy L. Schneebeck
Permit Agent for EnCana Oil & Gas (USA) Inc.

KLS:slb

Enclosures

cc: Utah Division of Oil, Gas and Mining
EnCana Oil & Gas (USA) Inc.
Dana Consultants – Keith Dana

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

5. MINERAL LEASE NO:	6. SURFACE:
UTU76042	Bum

1A. TYPE OF WORK: DRILL [X] REENTER [ ] DEEPEN [ ]

B. TYPE OF WELL: OIL [ ] GAS [X] OTHER _____ SINGLE ZONE [X] MULTIPLE ZONE [ ]

7. IF INDIAN, ALLOTTEE OR TRIBE NAME: ---

8. UNIT or CA AGREEMENT NAME: ---

2. NAME OF OPERATOR: EnCana Oil & Gas (USA) Inc.

9. WELL NAME and NUMBER: Federal 23-29

3. ADDRESS OF OPERATOR: 370 17th Street, Suite 1700 (CITY) Denver (STATE) CO (ZIP) 80202

PHONE NUMBER: 303-623-2300

10. FIELD AND POOL, OR WILDCAT: Natural Buttes

4. LOCATION OF WELL (FOOTAGES)

AT SURFACE: 1,980' FSL 1,980' FEL 640435X 4390524Y 40.091939 -109.352653

AT PROPOSED PRODUCING ZONE: Same as above

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, mniMERIDIAN: NE SW 29 8S 23E Salt Lake PM

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: Well is approximately 34.6 miles from Vernal, Utah.

12. COUNTY:	13. STATE:
Uintah	Utah

15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET):	16. NUMBER OF ACRES IN LEASE:	17. NUMBER OF ACRES ASSIGNED TO THIS WELL:
1,980'	1880.00	160.00
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET)	**19. PROPOSED DEPTH:**	**20. BOND DESCRIPTION:**
2,500' Federal 11-29	8,125'	CO1461
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.):	**22. APPROXIMATE DATE WORK WILL START:**	**23. ESTIMATED DURATION:**
4,919' GR	July 31, 2006	45–60 days drlg + completion

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
12-1/4"	8-5/8" J-55 24# ST&C	0' – 525'	To surface (±275 sxs 'G' w/ 2% CaCl2 + ¼ lbs/sx Flocele) yield 1.18 cft/sx, wt 15.6 ppg
7-7/8"	4-1/2" N-80 11.6# LT&C	0' – 8,125'	To surface (Lead: ±300 sxs LitePoz + FL/Extender; yield 3.9 cft/sk, wt. 11 ppg
			and Tail: ±933 sxs 50:50 Poz 'G' + additives; yield 1.31 cft/sk, wt 14.3 ppg

25. **ATTACHMENTS**

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

[X] WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER

[ ] EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER

[X] COMPLETE DRILLING PLAN

[ ] FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) Kathy L. Schneebeck 303-820-4480 TITLE Permit Agent for: EnCana Oil & Gas (USA) Inc.

SIGNATURE Kathy L Schneebeck DATE June 20, 2006

(This space for State use only)

API NUMBER ASSIGNED: 43-047-38328

Approved by the Utah Division of Oil, Gas and Mining

RECEIVED
JUN 22 2006
DIV. OF OIL, GAS & MINING

(11/2001)

Federal Approval of this Action is Necessary

(See Instructions on Reverse Side)

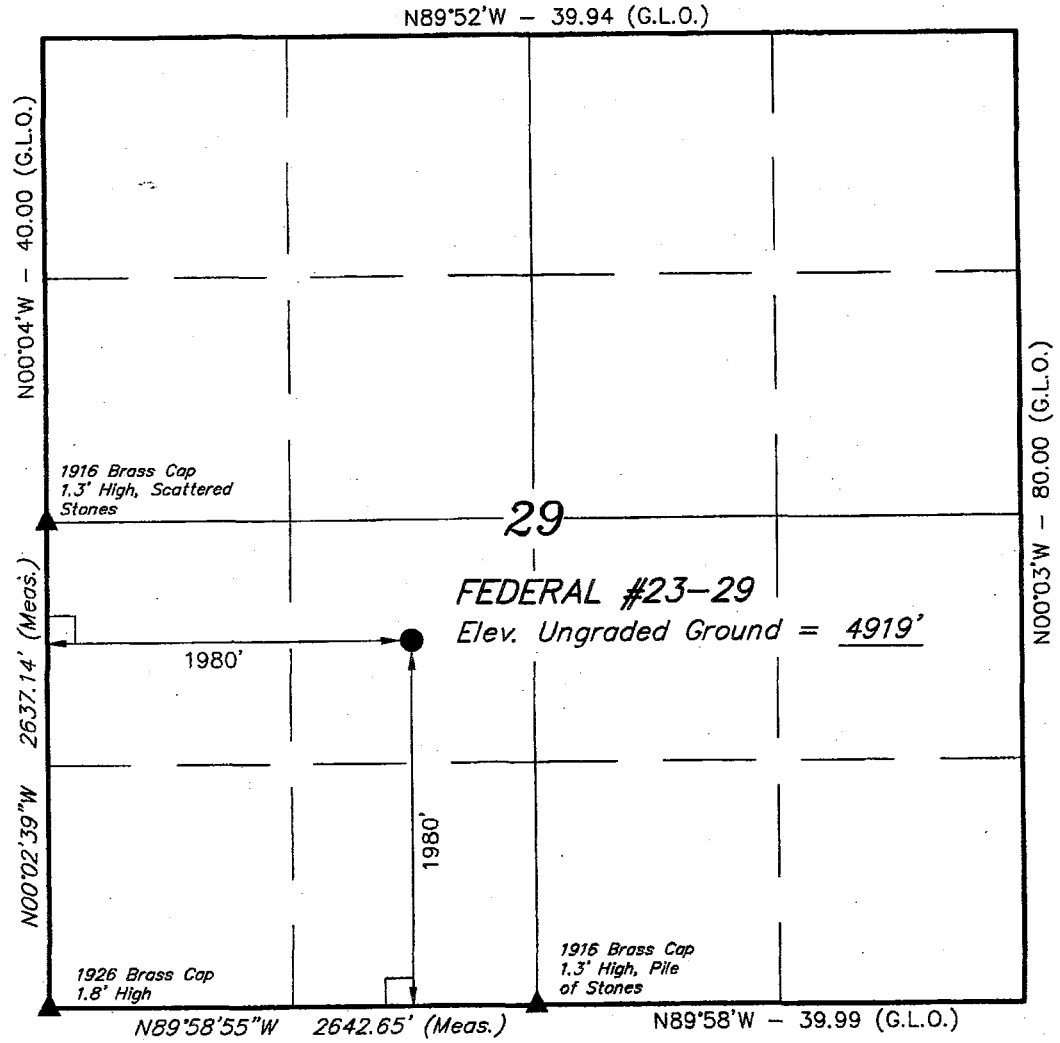
Date: 10-02-06

By:

EnCana OIL & GAS (USA) INC.

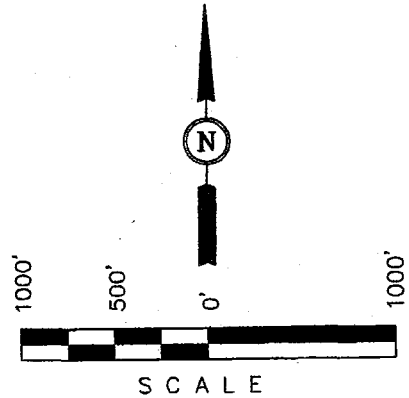
Well location, FEDERAL #23–29, located as shown in the NE 1/4 SW 1/4 of Section 29, T8S, R23E, S.L.B.&M., Uintah County, Utah.

T8S, R23E, S.L.B.&M.



BASIS OF ELEVATION

SPOT ELEVATION AT A ROAD INTERSECTION IN THE NW 1/4 OF SECTION 3, T9S, R23E, S.L.B.&M., TAKEN FROM THE RED WASH SE QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4992 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

LEGEND:

└ = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

(AUTONOMOUS NAD 83)
LATITUDE = 40°05'30.88" (40.091911)
LONGITUDE = 109°21'11.98" (109.353328)

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST – VERNAL, UTAH 84078
(435) 789–1017

SCALE: 1" = 1000'	DATE SURVEYED: 04–03–06	DATE DRAWN: 04–05–06
PARTY: B.H. M.C. C.H.	REFERENCES: G.L.O. PLAT	
WEATHER: WARM	FILE: EnCana OIL & GAS (USA) INC.	

June 20, 2006

Please find attached:
1) Cover Letter, WY APD form, Drilling Program, Casing Design, BOP 3M Diagram, Surface Use Plan, and Table 1

2) Survey Plat, Well Pad Layout, Rig Layout, Cut and Fill, Access Road Map, Area Map

The Cultural Resources Report will be submitted shortly under separate cover by Bill Current - Current Archaeological Research, Inc. out of Rock Springs, Wyoming.

This location was previously staked and permitted by EnCana Oil & Gas (USA), Inc. (EnCana) with approval granted by the Bureau of Land Management (BLM) and the State of Utah Division of Oil, Gas, and Mining (UDOGM) and given API 43-047-35262. EnCana did not conduct any construction nor drill the well and the permit expired.

An access road right-of-way (ROW) was also executed under ROW# UTU77684. Our research identifies ROW UTU77684 as authorized for EnCana for this location, with the length of 4.42 miles, a width of 30 feet, and the next billing date is January 1, 2007.

Please send a copy of all correspondence to Banko Petroleum Management, Inc. at 385 Inverness Parkway, Suite 420, Englewood, CO 80112-5849. Please contact David Banko or Kathy Schneebeck at 303-820-4480, or at david@banko1.com or kathys@banko1.com, respectively, if you have any questions. Thank you.

EnCana Oil & Gas (USA) Inc.
Federal 23-29
API #43-047-35262
1,980' FSL 1,980' FWL (NE/4 SW/4)
Sec. 29 T8S R23E
Uintah County, Utah
Federal Lease: UTU76042

DRILLING PROGRAM
(All Drilling Procedures will be followed as Per Onshore Orders No. 1 and No. 2)

This Application for Permit to Drill (APD) is filed under the Notice of Staking (NOS) process as stated in Onshore Order No. 1 and supporting Bureau of Land Management (BLM) documents. This NOS process included an on-site meeting on June 6, 2006, prior to the submittal of the application, at which time the specific concerns of EnCana Oil & Gas (USA) Inc. (EnCana) and the BLM were discussed. All specific concerns of the BLM representatives are addressed herein, as are specific stipulations from the BLM.

Please contact Judy Walter at EnCana, at 303-623-2300 if there are any questions or concerns regarding this Drilling Program.

1. **SURFACE ELEVATION** – 4,919' (Ground elevation)

   SURFACE FORMATION – Uinta – Fresh water possible

2. **ESTIMATED TOPS OF GEOLOGICAL MARKERS (TVD)** –
(Water, oil, gas and/or other mineral-bearing formations)

Formation	TVD
GREEN RIVER	2,179'
DOUGLAS CREEK	4,430'
CARBONATE MARKER	4,673'
WASATCH	5,221'
MESAVERDE	7,675'
TOTAL DEPTH	8,125'

NOTE: Based on elevation of 4,919' GL; 4,931' RKB.

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and protected.

3. **ESTIMATED TOPS OF POSSIBLE WATER, OIL, GAS OR MINERALS**

The estimated depths at which possible water, oil, gas or minerals will be encountered are as follows:

	TVD
GREEN RIVER	2,179'
DOUGLAS CREEK	4,430'
WASATCH	5,221'
MESAVERDE	7,675'
TOTAL DEPTH	8,125'

4. **OPERATOR'S SPECIFICATIONS FOR PRESSURE CONTROL EQUIPMENT**

a. Minimum working pressure on rams and BOPE will be 3,000 psi.
b. Function test and visual inspection of the BOP will be conducted daily and noted in the IADC Daily Drilling Report.
c. Both high and low pressure tests of the BOPE will be conducted.
d. The Annular BOP will be pressure tested to a minimum of 50% of its rated working pressure.
e. Blind and Pipe Rams/BOP will be tested to a minimum of 100% of rated working pressure (against a test plug).
f. Surface casing will be tested from surface to TD (float collar) at 1,500 psi surface pressure (prior to drilling out the float collar).
g. All other casing will be pressure tested to 0.22 psi/ft or 1,500 psi, whichever is greater, but not to exceed 70% of the internal yield.
h. BOP testing procedures and testing frequency will conform to Onshore Order No. 2.
i. BOP remote controls shall be located on the rig floor at a location readily accessible to the driller. Master controls shall be on the ground at the accumulator and shall have the capability to function all preventors.
j. The kill line shall be 2" minimum and contain two kill line valves, one of which shall be a check valve.
k. The choke line shall be 3" minimum and contain two choke line valves (3" minimum).
l. The choke and manifold shall contain two adjustable chokes.
m. Hand wheels shall be installed on all ram preventors.
n. Safety valves and wrenches (with subs for all drill string connections) shall be available on the rig floor at all times.
o. Inside BOP or float sub shall also be available on the rig floor at all times.
p. Upper kelly cock valve (with handle) shall be available at all times.

Note: Special Drilling Operations if Air Drilling*

q. Properly lubricated and maintained rotating head for normal drilling operations
r. Spark arresters on engines or water cooled exhaust*
s. Blooie line discharge 100 feet from well bore and securely anchored
t. Straight run on blooie line unless otherwise approved
u. Deduster equipment*
v. All cuttings and circulating medium shall be directed into a reserve or blooie pit*
w. Float valve above bit*
x. Automatic igniter or continuous pilot light on the blooie line*
y. Compressors located in the opposite direction from the blooie line a minimum of 100 feet from the well bore

z. Mud circulating equipment, water, and mud materials (does not have to be premixed) sufficient to maintain the capacity of the hole and circulating tanks or pits

Shown in Exhibit I is the proposed BOP and Choke Manifold arrangements.

Statement of Accumulator System and Location of Hydraulic Controls
The drilling rig has not been selected for this well. Selection will take place after approval of this application is granted. Manual and/or hydraulic controls will be in compliance with Onshore Order No. 2 for 3,000 psi system.

A remote accumulator will be used. Pressures, capacities, location of remote hydraulic and manual controls will be identified at the time of the BLM supervised BOP test.

5. PROPOSED CASING AND CEMENTING PROGRAM (Measured Depths)

DEPTH (MD)	HOLE SIZE	SIZE	WEIGHT	CSG	GRADE/ THREAD	CEMENT VOLUME
0-40'+/-	13-1/2"	14"	N/A	Conductor	N/A	N/A
0-525'	12-1/4"	8-5/8"	24 ppf	Surface	J-55, STC (New)	±275 sxs 'G' w/ 2% $CaCl_2$ + ¼ lbs/sx Flocele (wt 15.6 ppg; yield 1.18 cft/sx)
0-8,125'	7-7/8"	4-1/2"	11.6 ppf	Production	N-80, LTC (New)	±300 sxs LitePoz + FL/Extender additives; (wt 11 ppg, yield 3.9 cft/sk) ±933 sxs 50:50 Poz 'G' + additives; (wt 14.3 ppg, yield 1.31 cft/sk)

Cementing Volume Design Assumptions:

Surface Casing

1. Designed to surface assuming gauge hole plus 50% excess.

Production Casing

1. Lead Slurry designed to 4,000' from surface assuming gauge hole plus 30% excess.
2. Tail Slurry designed to 4,000' from TD assuming gauge hole plus 30% excess.
3. Actual volumes pumped to be calculated from log caliper data plus 10% excess and may vary depending on additional field and/or logging data.

6. DIRECTIONAL DRILLING PROGRAM

Directional control will be maintained by drift shot surveys every 500', bit trips, and at TD.

7. **PROPOSED DRILLING FLUIDS PROGRAM**

DEPTH	MUD TYPE	DENSITY lbs/gal	VISCOSTIY (sec/qt)	FLUID LOSS (cc)
0' – 525'	FW mud w/gel or Air Mist (FW, polymer, and soap)	8.4-8.6	N/A	N/A
525' – 6,500'	FW mud w/ gel	8.4-8.8	N/A	NC to <20
6500' - TD	LSND w/ LCM	8.6-9.1	25-40	<15 to 6-8

a. No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling, testing or completing of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling, testing, or completing of this well.

Sufficient mud materials to maintain mud properties, control lost circulation and to contain a "kick" will be available on location.

AUXILIARY EQUIPMENT

1. Upper Kelly cock; lower Kelly cock will be installed while drilling.
2. Inside BOP or stabbing valve with handle (available on rig floor).
3. Safety valve(s) and subs to fit all string connections in use.
4. Mud monitoring will be with a flowing sensor, pit level indicator, and visually observed.

8. **TESTING, CORING AND LOGGING**

a. Drill Stem Testing – none anticipated
b. Coring – none anticipated.
c. Mud Logging: Optional from 1,800' to TD
d. Logging Program:

Open Hole	Logging Interval
AIT-SP-GR	From TD to Surface Casing
FDC-CNL-GR	From TD to Surface Casing
Cased Hole	
GR-CCL	From TD to surface casing

Note: Will also run CBL on production casing if no cement is circulated to surface.

9. **ABNORMAL PRESSURES OR TEMPERATURES; POTENTIAL HAZARDS**

There are no known abnormal pressures, temperatures, or potential hazards in the area.

Anticipated maximum BHP is 3,520 psi.

10. ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS

Location construction is to begin immediately upon receiving the approved drilling permit or as allowed by winter and wildlife stipulations. The spud date is flexible, and could be accelerated or delayed as required to fit rig schedules.

The drilling operation is anticipated to require ±15 days per well.
Completion operations are anticipated to begin within one week of end of drilling operations.

The location pad will be sufficient size to accommodate all completion equipment activities and equipment. A string of 2 3/8", 4.7#, N-80, EUE 8rnd will be run as production tubing. A Sundry Notice will be submitted with a revised completion program if warranted.

Federal 23-29
1,980' FSL 1,980' FEL (NE /4 SW /4)
Sec. 29 T 8S R 23E

Uintah County, Utah
UTU76042

SURFACE CASING AND CENTRALIZER DESIGN

Proposed Total Depth:	8,125 '	
Proposed Depth of Surface Casing:	525 '	
Estimated Pressure Gradient:	0.43	psi/ft
Bottom Hole Pressure at	8,125 '	
0.43 psi/ft x 8,125 ' =	3,520	psi
Hydrostatic Head of gas/oil mud:	0.22	psi/ft
0.22 psi/ft x 8,125 ' =	1,788	psi

Maximum Design Surface Pressure

Bottom Hole Pressure – Hydrostatic Head =

(0.43 psi/ft x 8,125 ') – (0.22 psi/ft x 8,125 ') =

3,520 psi – 1,788 psi = 1,732 psi

Casing Strengths 8-5/8" J-55 24# ST&C

Wt.	Tension (lbs)	Burst (psi)	Collapse (psi)
24 #	244,000	2,950	1,370
32 #	372,000	3,930	2,530

Safety Factors

Tension (Dry): 1.8 Burst: 1.0 Collapse: 1.125

Tension (Dry): 24 # / ft x 525 ' = 12,600 #

Safety Factor = 244,000 / 12,600 = 19.37 ok

Burst: Safety Factor = 2,950 psi / 1,732 psi = 1.70 ok

Collapse: Hydrostatic = 0.052 x 9.0 ppg x 525 ' = 246 psi

Safety Factor = 1,370 psi / 246 psi = 5.58 ok

Use 525 ' 8-5/8" J-55 24# ST&C

Use 2,000 psi minimum casinghead and BOP's

Centralizers

8 Total
1 near surface at 160'
3 -1 each at middle of bottom joint, second joint, third joint
4 -1 each at every other joint ±40 ' spacing

Total centralized ± 440 ' (85 ' – 525 ')

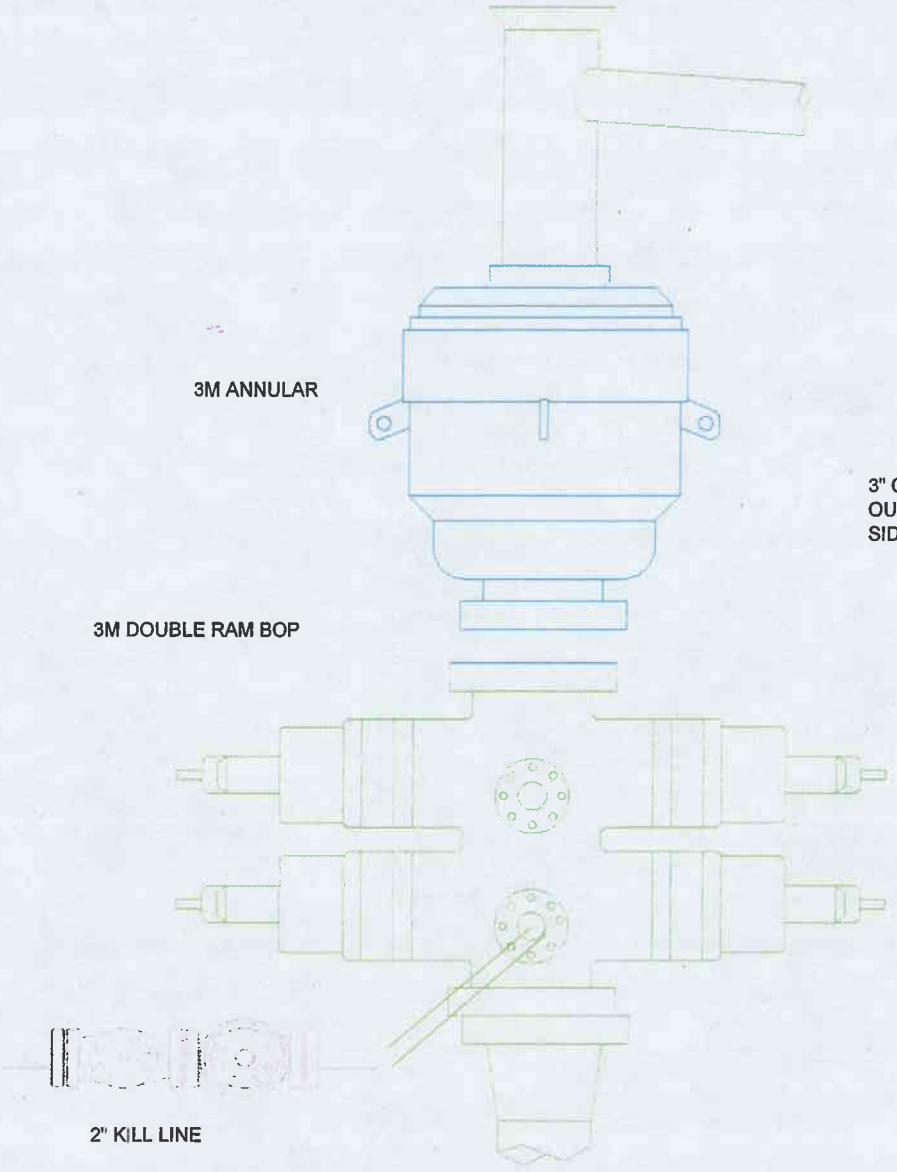
Note that field experience indicates that additional centralizers greatly increase the chance of "sticking" the surface casing prior to reaching surface casing total depth.

Exhibit I

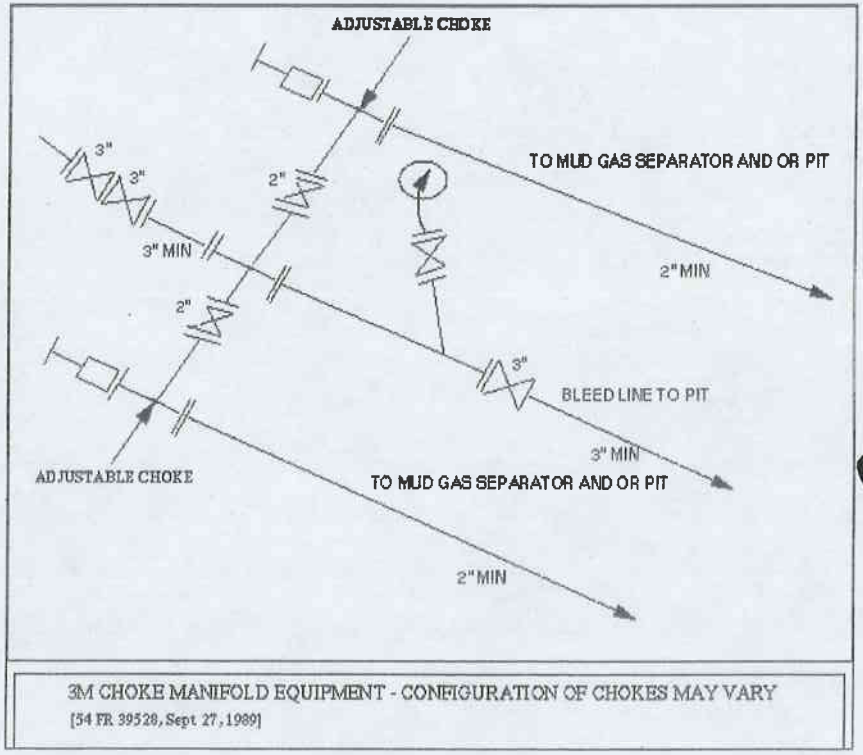
3M ANNULAR

3M DOUBLE RAM BOP

2" KILL LINE



3" CHOKE LINE FROM OUTLET ON BOTTOM SIDE OF RAMS



3M CHOKE MANIFOLD EQUIPMENT - CONFIGURATION OF CHOKES MAY VARY
[54 FR 39528, Sept 27, 1989]

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SURFACE USE PLAN

This Application for Permit to Drill (APD) is filed under the Notice of Staking (NOS) process as stated in Onshore Order No. 1 and supporting Bureau of Land Management (BLM) documents. This NOS process included an on-site meeting on June 6, 2006, prior to the submittal of the application, at which time the specific concerns of EnCana Oil & Gas (USA) Inc. (EnCana) and the BLM were discussed. All specific concerns of the BLM representatives are addressed herein, as are specific stipulations from the BLM.

An NOS was submitted to BLM in Vernal on April 20, 2006 for this location.

An on-site meeting occurred on June 6, 2006. Attending were: Nathanial West and Brandon McDonald – BLM; Bart Hunting – Uintah Engineering & Surveying (Uintah), and Keith Dana – Dana Consulting, permit agent.

This location was previously staked and permitted by EnCana with approval granted by the BLM and the State of Utah Division of Oil, Gas, and Mining (UDOGM) and given API 43-047-35262. EnCana did not conduct any construction nor drill the well and the permit expired. Access is authorized on federal lands with ROW UTU77684, which also provides access to the North Chapita Federal 24-31, 44-30, and the 44-31 locations.

1. EXISTING ROADS

A. The proposed wellsite is staked and reference stakes are present as shown on attached topo maps "A" and "B".
PROCEED IN AN EASTERLY, THEN SOUTHERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 3.9 MILES TO THE JUNCTION OF STATE HIGHWAY 45; EXIT RIGHT AND PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 24.1 MILES ON STATE HIGHWAY 45 TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY, THEN WESTERLY DIRECTION APPROXIMATELY 9.8 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN RIGHT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 1.4 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE EAST; FOLLOW ROAD FLAGS IN AN EASTERLY DIRECTION APPROXIMATELY 0.6 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 39.8 MILES.

B. Access Roads – refer to maps "A" and "B".
C. Access Roads within a one-mile radius – refer to map "B".
D. The existing roads will be maintained in the same or better condition as existed prior to the commencement of operations and said maintenance will continue until final abandonment and reclamation of the well location.

2. **PLANNED ACCESS ROADS**

Approximately 0.6 miles of proposed access road will need to be constructed. EnCana Oil & Gas respectfully requests approximately 500' of road right-of-way that runs west of the section line in Section 30-T8S-R23E.

A. Width maximum – 30' overall right-of-way with an 18' road running surface, crowned and ditched and/or sloped and dipped.
B. Construction standard – the access road will be constructed to the same standards as previously accepted in this area.

The road will be constructed to meet the standards of the anticipated traffic flow and all weather requirements. Construction will include ditching, draining, crowning and capping or sloping and dipping the roadbed as necessary to provide a well-constructed and safe road.

Prior to construction/upgrading the roadway shall be cleared of any snow cover and allowed to dry completely.

Traveling off of the thirty (30) foot right-of-way will not be allowed.

Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be neither designed so they will not cause siltation or the accumulation of debris in the drainage crossing nor shall the drainages be blocked by the roadbed. Diverting water off at frequent intervals by means of cutouts shall prevent erosion of the drainage ditches by runoff water.

Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they will be filled in and detours around them avoided.

C. Maximum grade – the average grade will be 1% or less, wherever possible. The 1% grade will only be exceeded in areas where physical terrain or unusual circumstances require it.
D. Drainage design – the access road will be crowned and ditched or sloped and dipped, and water turnouts installed as necessary to provide proper drainage along the access road route.
E. Turnouts will be constructed along the access route as necessary or required to allow for the safe passage of traffic.
F. Culverts – no culverts will be required unless specified during the onsite inspection.
G. Surface materials – surfacing materials will consist of native soil. If any additional surfacing materials are required they will be purchased from a local contractor having a permitted source of materials in the area. None are anticipated at this time.

H. Gates, cattleguards or fence cuts – none required unless specified during the onsite inspection.
I. Road maintenance – during both the drilling and production phase of operations, the road surface and shoulders will be kept in a safe and legal condition and will be maintained in accordance with the original construction standards. The access road right-of-way will be kept free of trash during operations.
J. The proposed access road has been centerline flagged.
K. Dust will be controlled on the roads and locations during construction and drilling by periodic watering of the roads and locations.

3. LOCATION OF EXISTING WELLS WITHIN A ONE MILE RADIUS

Please refer to Table 1.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

A. There are no existing facilities that will be used by this well.
B. New Facilities Contemplated – in the event of production the following will be shown:
   1. Proposed location and attendant lines, by flagging, if off well pad.
   2. Dimensions of facilities.
   3. Construction methods and materials.
   4. Protective measures and devices to protect livestock and wildlife.
   5. All buried pipelines will be buried to a depth of 3', except at road crossing where they will buried to a depth of 4'.
   6. Construction width of the right-of-way/pipeline route shall be restricted to 60' of disturbance.
   7. Pipeline location warning signs shall be installed within 90 days after construction is completed.
   8. EnCana shall condition pipeline right-of-ways in a manner to preclude vehicular travel upon said rights-of-way, except for access to pipeline drips and valves.
   9. Pipeline Right-of-way is requested for approximately 2,500' of 4" buried steel running westerly and will tie into the pipeline in corner of NESE of Section 30, T8S, R23E. ROW request is for 30' with an additional 30' of working surface during construction. After construction is complete the additional 30' is to be rehabilitated. In the event production is established this well will be connected to EnCana Gathering Services (USA) Inc.'s gathering system.
   10. The area used to contain the proposed production facilities will be built using native materials. If these materials are not acceptable, arrangements will be made to acquire appropriate materials from private sources.
   11. A dike will be constructed completely around any production facilities, which contain fluids (i.e. production tanks, produced water tanks, etc.) These dikes will be constructed of compacted subsoil, be impervious, hole 110% of the capacity of the largest tank, and be independent of the back cut.
   12. All permanent (onsite for six months or longer) above-the-ground constructed or installed, including pumping units, will be painted a flat non-reflective, earthtone color to match one of the standard environmental colors as determined by the five State Rocky Mountain Interagency committee. All production facilities will be

painted within six months of installation. Facilities required to comply with Occupation Health and Safety Act Rules and Regulations will be excluded from this painting requirement.

C. The production (emergency) pit will be 8 feet in diameter and 8 feet deep. It will be lined with corrugated steel with a steel mesh cover.

D. EnCana shall protect all survey monuments, witness corners, reference monuments and bearing trees in the affected areas against disturbance during construction, operation, maintenance and termination of the facilities authorized herein.

EnCana shall immediately notify the authorized officer in the event that any corners, monuments or markers are disturbed or are anticipated to be disturbed. If any monuments, corner or accessories are destroyed, obliterated or damaged during construction, operation or maintenance, EnCana shall secure the services of a Registered Land Surveyor to restore the disturbed monuments, corner or accessories, at the same location, using surveying procedures found in the Manual of surveying Instructions for the Survey of the public Lands of the United States, latest edition. EnCana shall ensure that the Registered Land Surveyor properly records the survey in compliance with the Colorado Revised Statues 38-53-101 through 38-53-112 (1973) and shall send a copy to the authorized officer.

E. During drilling and subsequent operations, all equipment and vehicles will be confined to the access road right-of-way and any additional areas as specified in the approved Application for Permit to Drill.

F. Reclamation of disturbed areas no longer needed for operation will be accomplished by grading, leveling and seeding as recommend by the BLM.

EnCana will be responsible for road maintenance from the beginning to completion of operations.

5. LOCATION AND TYPE OF WATER SUPPLY

A. Water to be used for the drilling of these wells will be hauled by truck over the roads described in item #1 and item #2, from the Vernal City water supply (which is approximately 39.8 miles of the proposed location).

B. No water well will be drilled on this location.

6. SOURCE OF CONSTRUCTION MATERIALS

A. No construction materials are needed for drilling operations. In the event of production, the small amount of gravel needed for facilities will be hauled in by truck from a local gravel pit over existing access roads to the area. No special access other than for drilling operations and pipeline construction is needed.

B. All access roads crossing Federal land are described under Item #2, and shown on Map "A". All construction material for these location sites and access roads shall be borrowed material accumulated during the construction of the location sites and access roads. No additional construction material from other sources is anticipated at this time. If in the future it is required, the appropriate actions will be taken to acquire it from private sources.

C. All surface disturbance area is on BLM lands.

D. All trees on the locations, access road, and proposed pipeline routes shall be purchased prior to construction from the BLM, Vernal Field Office, and disposed of by one of the following methods:
   1. Trees shall be cut with a maximum stump height of six inches (6") and cut to 4-foot lengths and stacked off location. Trees will not be dozed off the location or access road, except on private surface where trees may be dozed. Trees may also be dozed on pipeline routes and then pulled back onto right-of-way as part of final reclamation.
   2. Limbs may be scattered off location, access road or along the pipeline, but not dozed off.

Rootballs shall be buried or placed off location, access road, or pipeline route to be scattered back over the disturbed area as part of the final reclamation.

7. METHODS OF HANDLING WASTE MATERIALS

A. Cutting will be deposited in the reserve/blooie pit.

B. Drilling fluids including salts and chemicals will be contained in the reserve/blooie pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within ninety (90) days after termination of drilling and completion activities.

In the event that adverse weather conditions prevent removal of the fluids from the reserve pit within this time period, an extension may be granted by the Authorized Officer upon receipt of a written request from EnCana.

The reserve pit will be constructed so as not to leak, break or allow discharge.

C. Produced fluids – liquid hydrocarbons produced during completion operations will be placed in test tanks on the location. Produced waste water will be confined to a lined pit (reserve pit) or storage tank for a period not to exceed ninety (90) days after initial production. During the permanent disposal method and location, along with the required water analysis shall be submitted for the Authorized Officer's approval. Failure to file an application within the time frame allowed will be considered an incidence of noncompliance.

Any spills of oil, gas, salt water or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.

D. Sewage - self-contained, chemical toilets will be provided for human waste disposal. Upon completion of operations, or as needed, the toilet holding tanks will be pumped and the contents thereof disposed of in the nearest, approved, sewage disposal facility.

E. Garbage and other waste material – garbage, trash and other waste materials will be collected in a portable, self-contained and fully – enclosed trash cage during drilling and completion operations. Upon completion of operations (or as needed) the accumulated trash will be disposed of at an authorized sanitary landfill. No trash will be burned on location or placed in the reserve pit.

F. Immediately after removal of the drilling rig, all debris and other waste materials not contained in the trash cage will be cleaned up and removed from the well location. No adverse materials will be left on the location. Any open pits will be maintained until such time as the pits are backfilled.

G. The reserve and/or production pit will be constructed on the existing location and will not be located in natural drainages where a flood hazard exists or surface runoff will destroy or damage the pit walls. All pits will be constructed so as not to leak, break, or allow the discharge of liquids there from.
H. South corner of wellpad will be rounded.
I. Construct siltation fence along southeast side of wellpad.

8. ANCILLARY FACILTIES

None anticipated.

9. WELLSITE LAYOUT

A. The attached plat specifies the drill site layout as staked. Cross sections have been drafted to visualize the planned cuts and fills across the location. An average minimum of six (6) inches of topsoil will be stripped from the location (including the areas of cut, fill and/or subsoil storage) and stockpiled for future reclamation of the well site. Refer to stockpiled for future reclamation of the well site.
B. No permanent living facilities are planned (refer to the rig location layout plat). There will be one (1) trailer on location during drilling operations for the toolpusher.
C. A diagram showing the proposed production facility layout will be submitted to the Authorized Officer via Sundry Notice (form 3160-5) for approval of subsequent operations. Carlsbad canyon paint color will be used on the facilities as recommended by the BLM on the onsite inspection of September 30, 2003.
D. The reserve pit and blooie pit will be constructed as a combination pit capable of holding 820 +/- bbls of fluid. This size of pit will be approximately equivalent to four times the TD hole volume. The pits were combined, as these are gas wells and there will be no danger of the accumulation of hydro carbons that could result in a potential safety hazard. The blooie pit might be used for testing, but only after the drilling is completed and the drilling equipment and personnel are off the well site location. In the event that drilling fluid (mud) will have to be used then this pit will also serve as the reserve pit.

   Line the pit with a 12-mil plastic liner. Felt is not needed unless blasting occurs. Please note the reserve pit recommendations per the onsite inspection.

   This requirement may be waived by the BLM upon receipt of additional information from EnCana concerning the location of fresh water aquifers and potential flow rates, chemical analyses of waters from the aquifers, and information concerning both the mechanics and nature of the air mist drilling system including any additives used therein.
E. Prior to the commencement of drilling operations, the reserve pit will be fenced on three (3) sides using three strands of barbed wire according to the following minimum standards:
   1. Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
   2. Standard steel, wood, or pipe posts shall be used between the corner braces. The maximum distance between any two (2) posts shall be no greater than sixteen (16) feet.

3. All wire shall be stretched by using a stretching device before it is attached to the corner posts.

   The fourth side of the reserve pit will be fenced immediately upon removal of the drilling rig and the fencing will be maintained until the pit is backfilled.

F. Any hydrocarbons on the pit will be removed from the pit as soon as possible after drilling operations are completed.

10. PLANS FOR RECLAMATION OF THE SURFACE:

The BLM will be contacted prior to commencement of any reclamation operations.

A. Production

1. Immediately upon well completion, the well location and surrounding areas(s) will be cleared of all debris, materials, trash and junk not required for production.
2. Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43CFR 3162.7-1.
3. Before any dirt work to restore the location takes place, the reserve pit will be completely dry and all cans, barrels, pipe, etc. will be removed.

   Other waste and spoil materials will be disposed of immediately upon completion of drilling and workover activities.
4. The reserve pit and that portion of the location and access road not needed for production facility/operations will be reclaimed within ninety (90) days from the date of well completion, weather permitting.
5. If the well is a producer, EnCana will upgrade and maintain access roads as necessary to prevent soil erosion, and accommodate year round traffic. Areas unnecessary to operations will have areas reshaped. Topsoil will be redistributed and disked. All areas outside the work area will be re-seeded according to the BLM, recommended at the onsite inspection, sand seed mix: Shadscale 4 lbs/acre, Indian ricegrass, 4 lbs/acre, and Scarlet globemallow 4lbs/acre.
6. If the well is abandoned or a dry hole, EnCana will restore the access road and location to approximately the original contours. During reclamation of the site, fill material will be pushed into cuts and up over the backslope. No depressions will be left that will trap water or form ponds. Topsoil will be distributed evenly over the location and seeded according to the recommended seed mixture. The access road and location shall be ripped or disked prior to seeding. Perennial vegetation must be established. Additional work shall be required in case of seeding failures, etc.

   Seedbed will be prepared by disking, then roller packing following the natural contours. Seed will be drilled on contours at a depth no greater than one-half inch (1/2). In areas that cannot be drilled, seed will be broadcast at double the seeding rate and harrowed into soil. Certified seed will be used whenever available.

   Fall seeding will completed after September 1, and prior to prolonged ground frost. To be effective, spring seeding will be completed after the frost has left the ground and prior to May 15th.

EnCana will reseed the reclaimed road with, sand seed mix: Shadscale 4 lbs/acre, Indian ricegrass 4 lbs/acre, and Scarlet globemallow 4 lbs/acre, as recommended at the onsite inspection of September 30, 2003.

7. Upon completion of backfilling, leveling and recontouring, the stockpiled topsoil will be evenly spread over the reclaimed areas(s). Prior to reseeding, all disturbed surfaces will be scarified and left with a rough surface. No depressions will be left that would trap water and form ponds. All disturbed surfaces will be re-seeded with a sand seed mix: Shadscale 4 lbs/acre, Indian ricegrass 4 lbs/acre, and Scarlet globemallow 4 lbs/acre.

   Seed will be drilled on the contour to approximately a depth of one-half (1/2) inch. All seeding will be conducted after September 1 and prior to ground frost. Spring seeding will be done after the frost leaves the ground and no later than May 15th. If the seeding is unsuccessful, EnCana may be required to make subsequent seedings.

B. Dry Hole/Abandoned Locations

1. On lands administered by the BLM, abandoned well sites, roads or other disturbed areas will be restored to near their original condition.

   This procedure will include:
   a. Re-establishing irrigation systems where applicable,
   b. Re-establishing soil conditions in irrigated field in such a way as to ensure cultivation and harvesting of crops and,
   c. Ensuring revegetation of the disturbed areas to the specification of the BLM at the time of abandonment.
2. All disturbed surfaces will be recontoured to the approximate natural contours and re-seeded according to BLM specifications. Reclamation of the well pad and access road will be performed as soon as practical after final abandonment and reseeding operations will be performed in the fall or spring following completion of reclamation operations.

11. SURFACE OWNERSHIP

The wellsite and lease is located entirely on Federal surface.

12. OTHER INFORMATION

A. Topographic and geologic features of the area – Refer to topo map "A".
The vegetation covers in the project area are sagebrush, and native grasses.

The fauna and avian fauna observed in the area are antelope, and small game.

The surface use is grazing.

1. The restrictions or reservations noted on the oil and gas lease are: Antelope stipulation, No surface occupancy from May 15 to June 20 unless cleared by BLM representative.

2. Burrowing Owl stipulation: No surface occupancy from Apr 1 to Aug 15 unless cleared by BLM Representative.

Any construction activity in the areas shall be done with awareness that many natural gas pipelines are buried. Some are apparent as to location; some have grown over with weeds and brush. It is suggested that the contractor contact the operators in the area to locate all lines before digging.

13) **LESSEE'S OR OPERATOR'S REPRESENTATIVE:**

Operator
EnCana Oil & Gas (USA) Inc.
370 17th Street, Suite 1700
Denver CO 80202
303-623-2300 – phone
720-876-4702 – fax

Ms. Judith Walter –
Permitting/Regulatory Analyst

Permit Agent
Banko Petroleum Management, Inc.
385 Inverness Parkway, Suite 420
Englewood, Colorado 80112-5849
303-820-4480

+ David Banko – Consulting Petro Engineer
david@banko1.com
+ Kathy Schneebeck – Regulatory Manager
kathys@banko1.com
* Keith Dana – Range Mgmt. Consultant
307-389-8227 – cell
krlcdana@fascination.com

* Contact to arrange on-site meeting.
\+ For any questions or comments regarding this permit.

14) **CERTIFICATION:**

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of it subcontractors. A complete copy of the approved Application for Permit to Drill will be furnished to the field representatives to ensure compliance and shall be on location during all construction and drilling operations.

I hereby certify that EnCana Oil & Gas (USA) Inc. is responsible under the terms and conditions of the lease to conduct lease operations in conjunction with the application. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by EnCana Oil & Gas (USA) Inc. under their nationwide bond, BLM Bond #CO1461.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by EnCana Oil & Gas (USA) Inc. and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

June 20, 2006

Kathy L. Schneebeck
Permit Agent for EnCana Oil & Gas (USA) Inc.

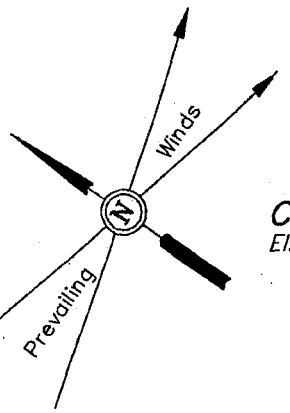
TABLE 1
Federal 23-29
NE/4SW/4 T8S R23E
Uintah County, Utah
Wells in a 1-Mile Radius

API Number	Operator	Well Name	Well Status	Field Name	Location (Twn-Rng)	Sec.	Twp Twp n d	Rng Rng N D	Qtr/Qtr
43-047-35734-00-00	KERR-MCGEE OIL & GAS ONSHO	MULLIGAN FED 823-19P	Producing	UNDESIGNATED	8S-23E	19	8 S	23 E	SESE
43-047-33749-00-00	WESTPORT OIL & GAS CO LP	KENNEDY WASH FED 19-1	Location Abar	NATURAL BUTTES	8S-23E	19	8 S	23 E	SESE
43-047-33870-00-00	WESTPORT OIL & GAS CO LP	KENNEDY WASH FED 21-1	Location Abar	WILDCAT	8S-23E	21	8 S	23 E	NWNE
43-047-35263-00-00	ENCANA OIL & GAS (USA) INC	FEDERAL 42-28	Location Abar	UNDESIGNATED	8S-23E	28	8 S	23 E	SENE
43-047-35264-00-00	ENCANA OIL & GAS (USA) INC	FEDERAL 44-28	Location Abar	UNDESIGNATED	8S-23E	28	8 S	23 E	SESE
43-047-35262-00-00	ENCANA OIL & GAS (USA) INC	FEDERAL 23-29	Location Abar	NATURAL BUTTES	8S-23E	29	8 S	23 E	NESW
43-047-30858-00-00	NATURAL GAS CORP OF CA	FEDERAL 11-29	Plugged and A	WILDCAT	8S-23E	29	8 S	23 E	NWNW
43-047-33452-00-00	ENCANA OIL & GAS (USA) INC	FEDERAL 44-30	Producing	NATURAL BUTTES	8S-23E	30	8 S	23 E	SESE
43-047-34085-00-00	ENCANA OIL & GAS (USA) INC	FEDERAL 32-30	Producing	NATURAL BUTTES	8S-23E	30	8 S	23 E	SWNE
43-047-34179-00-00	ENCANA OIL & GAS (USA) INC	FEDERAL 24-30	Location Abar	NATURAL BUTTES	8S-23E	30	8 S	23 E	SESW
43-047-31857-00-00	ENCANA OIL & GAS (USA) INC	BADLANDS FED 1-31	Shut-In	NATURAL BUTTES	8S-23E	31	8 S	23 E	SENW
43-047-33451-00-00	ENCANA OIL & GAS (USA) INC	FEDERAL 24-31	Producing	NATURAL BUTTES	8S-23E	31	8 S	23 E	SESW
43-047-33453-00-00	ENCANA OIL & GAS (USA) INC	FEDERAL 44-31	Producing	NATURAL BUTTES	8S-23E	31	8 S	23 E	SESE
43-047-34126-00-00	ENCANA OIL & GAS (USA) INC	FEDERAL 23-31	Producing	NATURAL BUTTES	8S-23E	31	8 S	23 E	NESW
43-047-34129-00-00	ENCANA OIL & GAS (USA) INC	FEDERAL 41-31	Location Abar	NATURAL BUTTES	8S-23E	31	8 S	23 E	NENE
43-047-34131-00-00	ENCANA OIL & GAS (USA) INC	FEDERAL 43-31	Producing	NATURAL BUTTES	8S-23E	31	8 S	23 E	NESE
43-047-31869-00-00	ENCANA OIL & GAS (USA) INC	BADLANDS FED 1-32	Producing	NATURAL BUTTES	8S-23E	32	8 S	23 E	SESE
43-047-34016-00-00	ENCANA OIL & GAS (USA) INC	FEDERAL 22-32	Producing	NATURAL BUTTES	8S-23E	32	8 S	23 E	SENW
43-047-35261-00-00	ENCANA OIL & GAS (USA) INC	FEDERAL 24-33	Location Abar	NATURAL BUTTES	8S-23E	33	8 S	23 E	SESW

EnCana OIL & GAS (USA) INC.

LOCATION LAYOUT FOR

FEDERAL #23-29
SECTION 29, T8S, R23E, S.L.B.&M.
1980' FSL 1980' FWL



SCALE: 1" = 50'
DATE: 04-05-06
Drawn By: C.H.

C-1.4'
El. 19.1'

F-3.5'
El. 14.2'

Sta. 3+50

F-1.7'
El. 16.0'

Approx. Toe of Fill Slope

REGISTERED LAND SURVEYOR
No. 161319
ROBERT L. KAY
STATE OF UTAH

Approx. Top of Cut Slope

NOTE:
Flare Pit is to be located a min. of 100' from the Well Head.

Pit Topsoils

FLARE PIT

C-5.6'
El. 23.3'

C-4.6'
El. 22.3'

Blooie Line

PIPE TUBS

CATWALK

PIPE RACKS

C-1.4'
El. 19.1'

TRAILER

TRAILER

TRAILER

TRAILER

Topsoil Stockpile

CONSTRUCT SILTATION FENCE

El. 23.8'
C-18.1'
(btm. pit)

70'

140'

Sta. 1+50

F-2.6'
El. 15.1'

RESERVE PITS
(12' Deep)

SLOPE 1 1/2 : 1

RIG

DOG HOUSE

TOILET

C-4.7'
El. 22.4'

LIGHT PLANT

BOILER

COMPRESSOR

BOOSTER

PUMP HOUSE

MUD TANKS

10' WIDE BENCH

Sta. 0+95

Reserve Pit Backfill & Spoils Stockpile

TRASH

Sta. 0+50

WATER TANK

NOTE:
Total Pit Capacity W/2' of Freeboard = 8,820 Bbls. ±
Total Pit Volume = 2,500 Cu. Yds.

PROPANE STORAGE

Round Corners as Needed

Sta. 0+00

El. 18.5'
C-12.8'
(btm. pit)

C-0.9'
El. 18.6'

C-3.1'
El. 20.8'

F-0.2'
El. 17.5'

F-6.0'
El. 11.7'

Proposed Access Road

NOTES:

Elev. Ungraded Ground At Loc. Stake = 4919.1'

FINISHED GRADE ELEV. AT LOC. STAKE = 4917.7'

FIGURE #1

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

EnCana OIL & GAS (USA) INC.

TYPICAL CROSS SECTIONS FOR

FEDERAL #23-29
SECTION 29, T8S, R23E, S.L.B.&M.
1980' FSL 1980' FWL

1" = 20'
X-Section Scale
1" = 50'
DATE: 04-05-06
Drawn By: C.H.

REGISTERED LAND SURVEYOR
No. 161319
ROBERT L. KAY
STATE OF UTAH

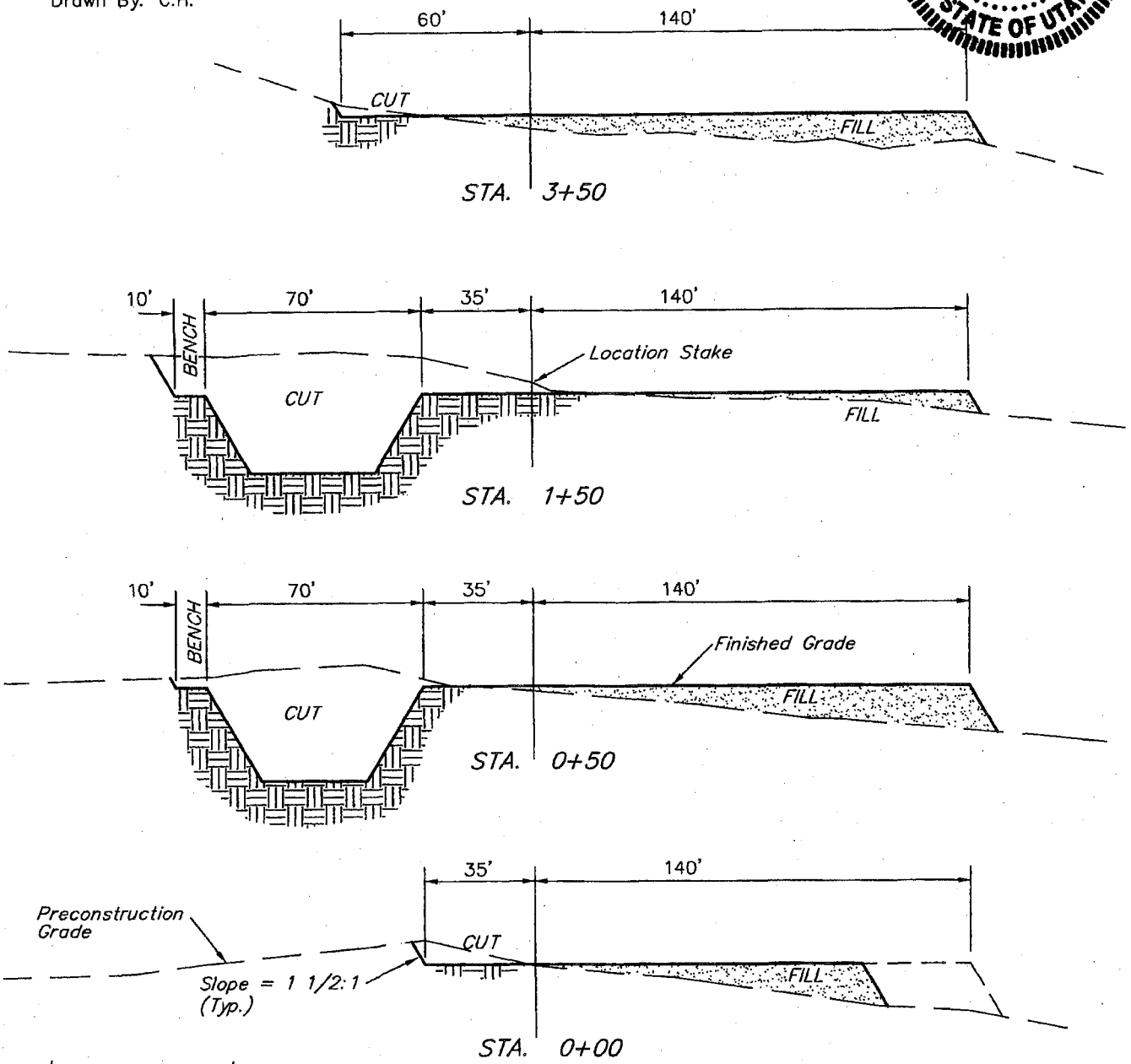


FIGURE #2

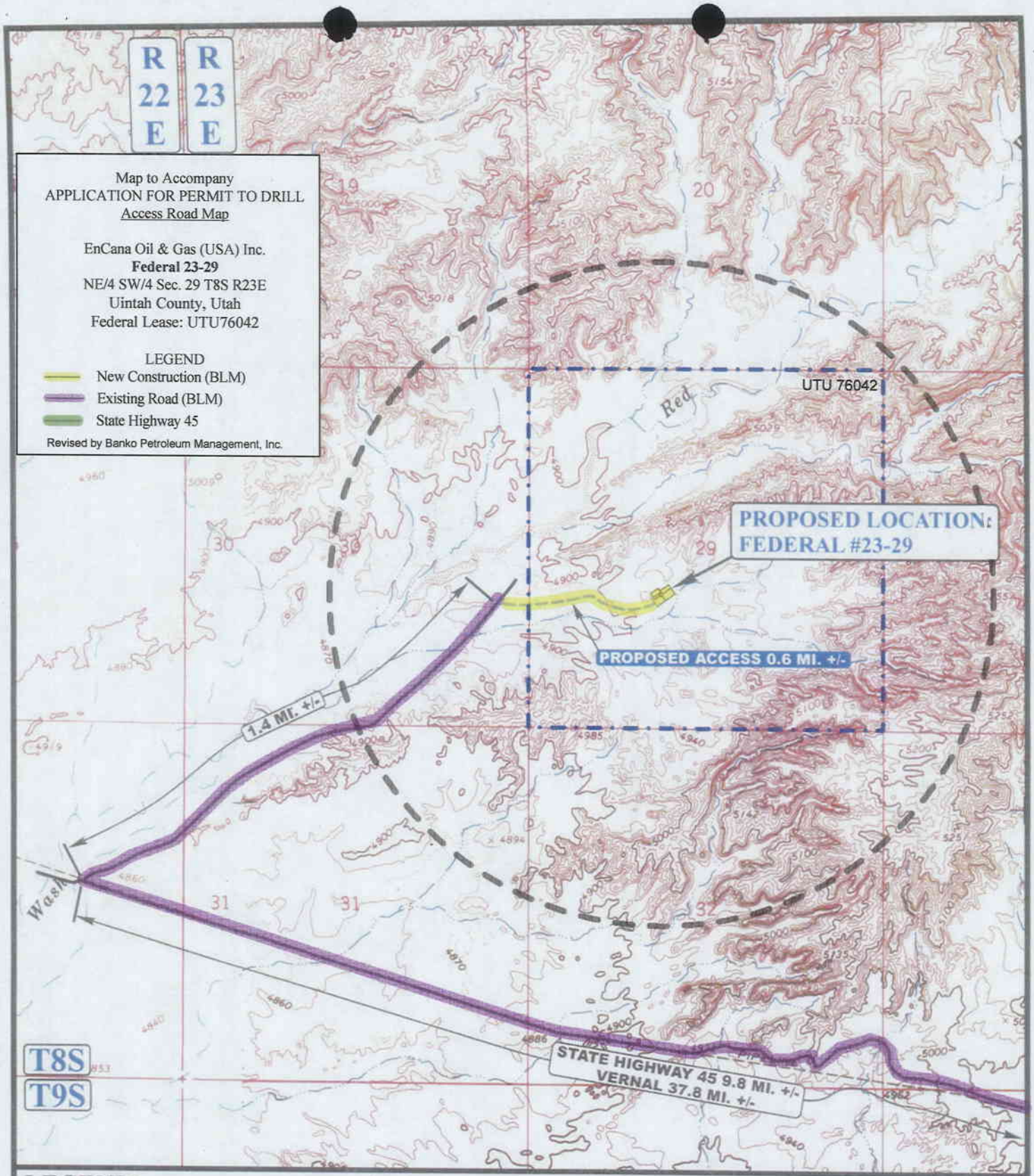
APPROXIMATE YARDAGES

CUT
(6") Topsoil Stripping = 1,450 Cu. Yds.
Remaining Location = 5,290 Cu. Yds.

TOTAL CUT = 6,740 CU.YDS.
FILL = 3,840 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION = 2,700 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.) = 2,700 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation) = 0 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017



LEGEND:

EXISTING ROAD

PROPOSED ACCESS ROAD

N

EnCana OIL & GAS (USA) INC.

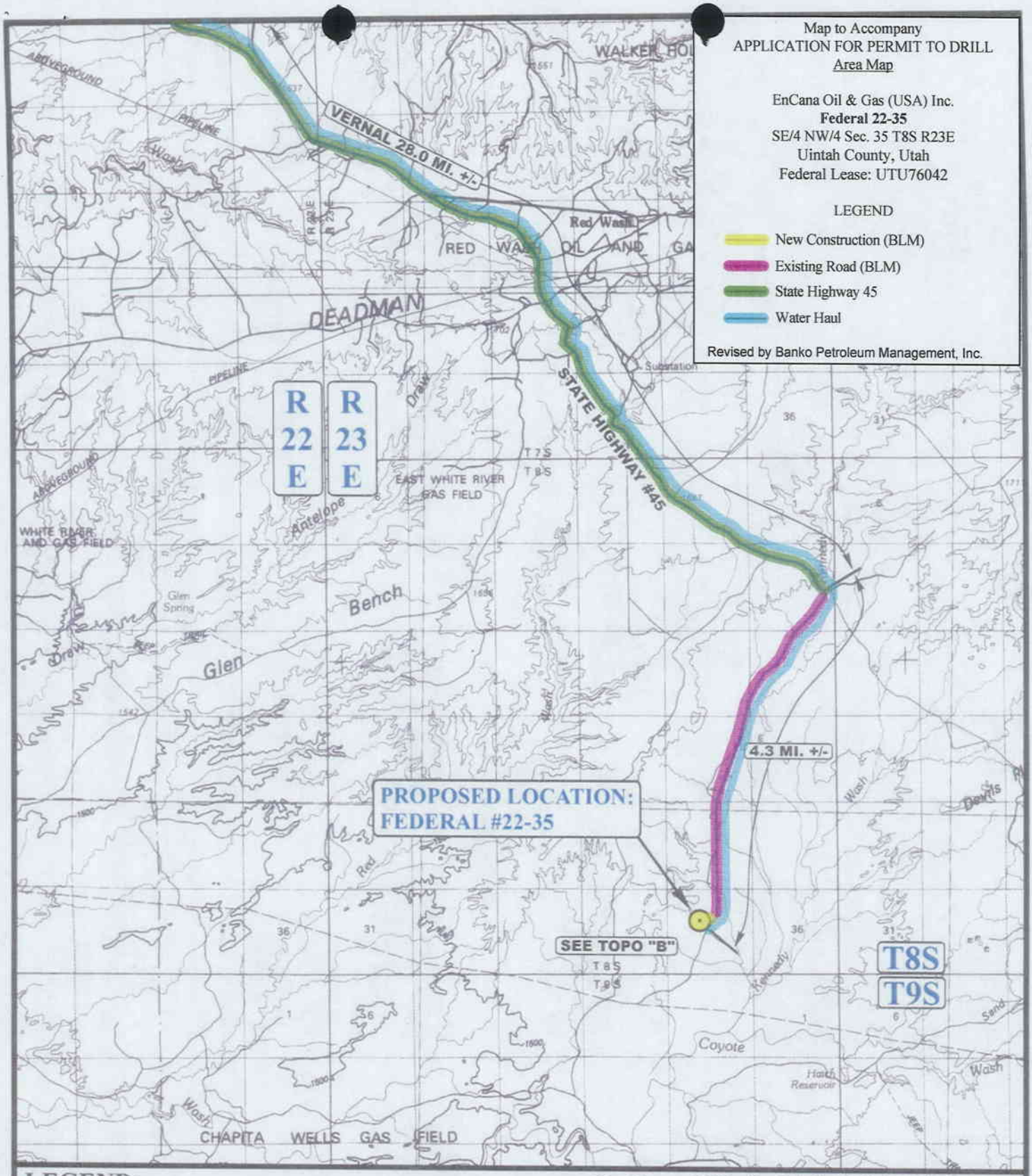
FEDERAL #23-29

SECTION 29, T8S, R23E, S.L.B.&M.

1980' FSL 1980' FWL

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	04 MONTH	05 DAY	06 YEAR	B TOPO
SCALE: 1" = 2000'	DRAWN BY: C.H.	REVISED: 00-00-00		



LEGEND:

EXISTING LOCATION

N

EnCana OIL & GAS (USA) INC.

FEDERAL #22-35
SECTION 35, T8S, R23E, S.L.B.&M.
1955' FNL 2042' FWL

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	04 MONTH	05 DAY	06 YEAR	A TOPO
SCALE: 1:100,000	DRAWN BY: C.H.	REVISED: 00-00-00		

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 06/22/2006

API NO. ASSIGNED: 43-047-38328

WELL NAME: FEDERAL 23-~~29~~ 2

OPERATOR: ENCANA OIL & GAS (USA) (N2175)

PHONE NUMBER: 303-623-2300

CONTACT: KATHY SCHNEEBECK

PROPOSED LOCATION:

NESW 29 080S 230E

SURFACE: 1980 FSL 1980 FWL

BOTTOM: 1980 FSL 1980 FWL

COUNTY: UINTAH

LATITUDE: 40.09194 LONGITUDE: -109.3527

UTM SURF EASTINGS: 640435 NORTHINGS: 4439052

FIELD NAME: UNDESIGNATED (2)

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU76042

PROPOSED FORMATION: MVRD

SURFACE OWNER: 1 - Federal

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

✓ Plat

✓ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. CO1461)

N Potash (Y/N)

N Oil Shale 190-5 (B) or 190-3 or 190-13

✓ Water Permit
(No. 49-1501)

N RDCC Review (Y/N)
(Date:)

N/A Fee Surf Agreement (Y/N)

N/A Intent to Commingle (Y/N)

LOCATION AND SITING:

___ R649-2-3.

Unit: ___

✓ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells

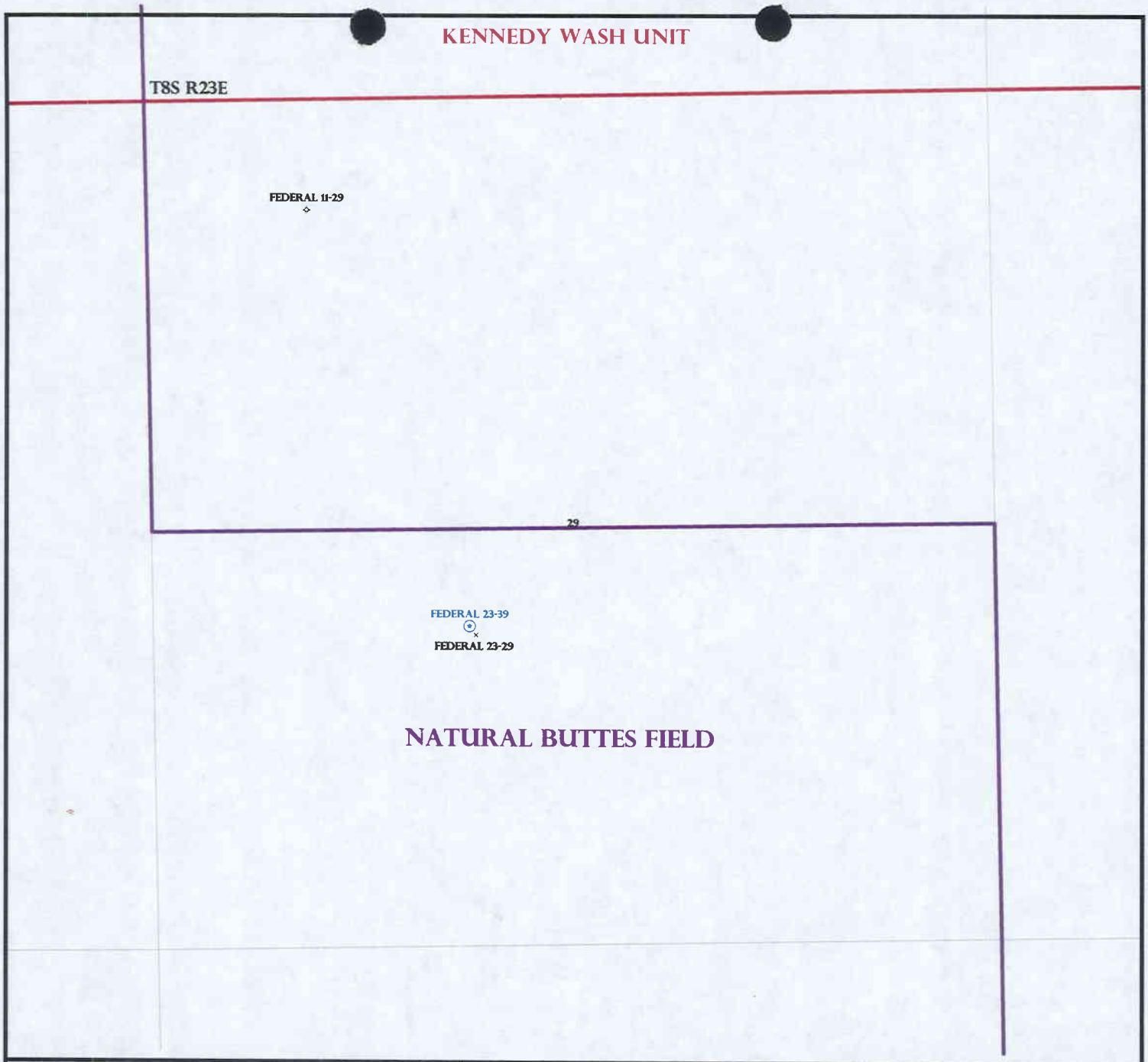
___ R649-3-3. Exception

___ Drilling Unit
Board Cause No: ___
Eff Date: ___
Siting: ___

___ R649-3-11. Directional Drill

COMMENTS: ___

STIPULATIONS: 1- Federal Approval
2- Spacing Stip



OPERATOR: ENCANA O&G (USA) INC (N2175)

SEC: 29 T. 8S R. 23E

FIELD: NATURAL BUTTES (630)

COUNTY: UINTAH

SPACING: R649-3-2 / GENERAL SITING

Field Status
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

Unit Status
- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Wells Status
- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL
- DRILLING

Utah Oil Gas and Mining

N
W E
S

PREPARED BY: DIANA WHITNEY
DATE: 23-JUNE-2006

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

October 2, 2006

Encana Oil & Gas (USA) Inc.
370 17th St., Ste 1700
Denver, CO 80202

Re: Federal 23-29 Well, 1980' FSL, 1980' FWL, NE SW, Sec. 29, T. 8 South, R. 23 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-38328.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

Operator: Encana Oil & Gas (USA) Inc.

Well Name & Number Federal 23-29

API Number: 43-047-38328

Lease: UTU76042

Location: NE SW **Sec.** 29 **T.** 8 South **R.** 23 East

Conditions of Approval

1. General

   Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

   Notify the Division within 24 hours of spudding the well.

   - Contact Carol Daniels at (801) 538-5284.

   Notify the Division prior to commencing operations to plug and abandon the well.

   - Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

   All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

Form 3160-5
(February 2005)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

5. Lease Serial No.
UTU76042

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well
☐ Oil Well ☑ Gas Well ☐ Other

8. Well Name and No.
Federal 23-29

2. Name of Operator **EOG Resources, Inc.**

9. API Well No.
43-047-35262

3a. Address
600 17th Street, Suite 1000N, Denver, CO 80202

3b. Phone No. *(include area code)*
303-824-5582

10. Field and Pool, or Exploratory Area
Natural Buttes

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
NE/SW, Sec. 29-T8S-R23E
1980 FSL & 1980 FWL, Lat 40.091911, LON 109.353328

11. County or Parish, State
Uintah County, Utah

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☑ Other **Change of Operator**
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Please be advised that EOG Resources, Inc. is considered to be the operator of the above referenced well and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. The effective date of change is May 1, 2006.

EnCana Corporation
1800, 855 - 2nd Street SW
Calgary, AB T2P 2S5

N2175
(303) 623-2300

Date 1-26-07

14. I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)* **Amber Schafer** Title **Operations Clerk**

Signature Amber Schafer Date 1/29/07

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____ Date _____

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

RECEIVED
FEB 01 2007
DIV. OF OIL, GAS & MIN

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NUMBER: UTU76042

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER: Federal 23-29

2. NAME OF OPERATOR: EOG Resources, Inc.

9. API NUMBER: 43-047-38328

3. ADDRESS OF OPERATOR: 600 17th St., Suite 1000N CITY Denver STATE CO ZIP 80202

PHONE NUMBER: (303) 824-5582

10. FIELD AND POOL, OR WILDCAT: Natural Buttes / Mesaverde

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1980' FSL & 1980' FWL, 40.091911 LAT, 109.353328 LON

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 29 8S 23E

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☑ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start: _____	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion: _____	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: APD Transfer
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

EOG Resources, Inc. requests approval to transfer pending APD for the referenced well,

From: EnCana Oil and Gas

To: EOG Resources, Inc.

EOG Resources, Inc. will utilize the following water source: NM 2308

Ouray Municipal Water Plant at Ouray, Utah, and/ or Target Trucking Inc.'s water source in the SW/SW. Sec 35, T9S, R22E Uintah County, Utah (State Water Right # 49-1501, and/or Bonanza Power Plant water source in Sec 26, T8S, R23E Uintah County, UT (State Water Right # 49-225(A31368)). Water will be hauled by a licensed trucking company.

NAME (PLEASE PRINT) Amber Schafer TITLE Operations Clerk

SIGNATURE Amber Schafer DATE 2/7/2007

(This space for State use only)

APPROVED 2/28/07

Earlene Russell

Division of Oil, Gas and Mining

Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

(5/2000)

RECEIVED
FEB 09 2007
DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Request to Transfer Application or Permit to Drill

(This form should accompany a Sundry Notice, Form 9, requesting APD transfer)

Well name:	Federal 23-29
API number:	4304738328
Location:	Qtr-Qtr: NESW Section: 29 Township: 8S Range: 23E
Company that filed original application:	EnCana Oil and Gas
Date original permit was issued:	
Company that permit was issued to:	EnCana Oil and Gas

Check one	Desired Action:
✓	**Transfer pending (unapproved) Application for Permit to Drill to new operator**
	The undersigned as owner with legal rights to drill on the property, hereby verifies that the information as submitted in the pending Application for Permit to Drill, remains valid and does not require revision. The new owner of the application accepts and agrees to the information and procedures as stated in the application.
	Transfer approved Application for Permit to Drill to new operator
	The undersigned as owner with legal rights to drill on the property as permitted, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.	Yes	No
If located on private land, has the ownership changed?		✓
If so, has the surface agreement been updated?		✓
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?		✓
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?		✓
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?		✓
Has the approved source of water for drilling changed?	✓	
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?		✓
Is bonding still in place, which covers this proposed well? Bond No. _____	✓	

Any desired or necessary changes to either a pending or approved Application for Permit to Drill that is being transferred, should be filed on a Sundry Notice, Form 9, or amended Application for Permit to Drill, Form 3, as appropriate, with necessary supporting information as required.

Name (please print) Amber Schafer Title Operations Clerk

Signature Amber Schafer Date 02/07/2007

Representing (company name) EOG Resources, Inc.

The person signing this form must have legal authority to represent the company or individual(s) to be listed as the new operator on the Application for Permit to Drill.

(3/2004)

RECEIVED
FEB 09 2007
DIV. OF OIL, GAS & MINING

Division of Oil, Gas and Mining

OPERATOR CHANGE WORKSHEET

ROUTING
1. DJJ
2. CDW

X Change of Operator (Well Sold) Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective: **5/1/2006**

FROM: (Old Operator):	**TO:** (New Operator):
N2175-Encana Oil & Gas (USA) Inc.	N9550-EOG Resources, Inc
370 17th St, Suite 1700	600 17th St, Suite 1000N
Denver, CO 80202	Denver, CO 80202
Phone: 1 (303) 623-2300	Phone: 1 (303) 824-5526

CA No. **Unit:**

WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS	
FEDERAL 14-34	34	080S	230E	4304738361		Federal	GW	APD	
FEDERAL 23-39	29	080S	230E	4304738328		Federal	GW	APD	C
FEDERAL 24-33	33	080S	230E	4304738360		Federal	GW	APD	
FEDERAL 41-29	29	080S	230E	4304738362		Federal	GW	NEW	
FEDERAL 44-29	29	080S	230E	4304738389		Federal	GW	NEW	

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 2/1/2007
2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 2/9/2007
3. The new company was checked on the **Department of Commerce, Division of Corporations Database on:** 7/18/2006
4. Is the new operator registered in the State of Utah: YES Business Number: 5053175-0143

6a. (R649-9-2)Waste Management Plan has been received on: _____

6b. Inspections of LA PA state/fee well sites complete on: n/a

6c. Reports current for Production/Disposition & Sundries on: _____

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM n/a BIA n/a
8. **Federal and Indian Units:** The BLM or BIA has approved the successor of unit operator for wells listed on: not yet
9. **Federal and Indian Communization Agreements ("CA"):** The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject,** for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database on:** 2/16/2007
2. Changes have been entered on the **Monthly Operator Change Spread Sheet on:** 2/16/2007
3. Bond information entered in RBDMS on: n/a
4. Fee/State wells attached to bond in RBDMS on: n/a
5. Injection Projects to new operator in RBDMS on: n/a
6. Receipt of Acceptance of Drilling Procedures for APD/New on: n/a

BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: NM-2308

COMMENTS:

Form 3160-3
(April 2004)

CONFIDENTIAL

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. Lease Serial No.: UTU76042

6. If Indian, Allottee or Tribe Name: ---

7. If Unit or CA Agreement, Name and No.: ---

1a. Type of Work: [X] DRILL [ ] REENTER

1b. Type of Well: [ ] Oil Well [X] Gas Well [ ] Other [X] Single Zone [ ] Multiple Zone

8. Lease Name and Well No.: Federal 23-29

2. Name of Operator: EnCana Oil & Gas (USA) Inc.
E-mail: judith.walter@encana.com
Contact: Judith A. Walter

9. API Well No.: ~~43-047-35262~~ 43-047-38328

3a. Address: 370 17th Street, Suite 1700, Denver CO 80202

3b. Phone No. (include area code): 303-623-2300

10. Field and Pool, or Exploratory: Natural Buttes

4. Location of Well (Report location clearly and in accordance with any State Requirements.*)
At surface: 1,980' FSL 1,980' FWL NE /4 SW /4
Lat: 40.091911 Long: 109.353328
At proposed production zone

11. Sec., T., R., M., or Blk. and Survey or Area: Sec. 29 T 8S R 23E Salt Lake PM

14. Distance in miles and direction from nearest town or post office. *
Well is approximately 34.6 miles from Vernal, Utah.

12. County or parish: Uintah

13. State: Utah

15. Distance from proposed location to nearest property or lease line, ft. (Also nearest Drig, unit line, if any)	16. No. of acres in lease	17. Spacing Unit dedicated to this well
Unit= NA Lease= ±1,980'	1,880.0	160
18. Distance from proposed location to nearest well, drilling, completed or applied for, on this lease, ft.	**19. Proposed depth**	**20. BLM/BIA Bond No. on file**
Federal 11-29 ± 2,500 '	8,125'	CO1461
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	**22. Approximate date work will start ***	**23. Estimated duration**
4,919.0 ' GR	July 31, 2006	45–60 days drlg + completion

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature	Name (Printed/Typed)	Date
Kathy L Schneebeck	Kathy L. Schneebeck 303-820-4480	June 20, 2006

Title: Permit Agent for: EnCana Oil & Gas (USA) Inc.

Approved by (Signature)	Name (Printed/Typed)	Date
	Jerry Kenczka	6-29-2007

Title: Assistant Field Manager Lands & Mineral Resources

Office: VERNAL FIELD OFFICE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

CONDITIONS OF APPROVAL ATTACHED

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

(continued on page 2)

06BM1617A

NOTICE OF APPROVAL

RECEIVED
2006 JUN 21 PM 2:12
DEPT. OF THE INTERIOR
BUREAU OF LAND MGMT.
VERNAL FIELD OFFICE

UDOGM

NOS 04/21/2006

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE
170 South 500 East VERNAL, UT 84078 (435) 781-4400

CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company:	**EnCana Oil & Gas (USA) Inc.**	**Location:**	**NESW, Sec. 29, T8S, R23E**
Well No:	**Federal 23-29**	**Lease No:**	**UTU-76042**
API No:	**43-047-38328**	**Agreement:**	**N/A**

Title	Name	Office Phone Number	Cell Phone Number
Petroleum Engineer:	Matt Baker	(435) 781-4490	(435) 828-4470
Petroleum Engineer:	Michael Lee	(435) 781-4432	(435) 828-7875
Petroleum Engineer:	James Ashley	(435) 781-4470	(435) 828-7874
Petroleum Engineer:	Ryan Angus	(435) 781-4430	(435) 828-7368
Supervisory Petroleum Technician:	Jamie Sparger	(435) 781-4502	(435) 828-3913
NRS/Enviro Scientist:	Paul Buhler	(435) 781-4475	(435) 828-4029
NRS/Enviro Scientist:	Karl Wright	(435) 781-4484	
NRS/Enviro Scientist:	Holly Villa	(435) 781-4404	
NRS/Enviro Scientist:	Vacant	(435) 781-4476	(435) 828-7381
NRS/Enviro Scientist:	Chuck Macdonald	(435) 781-4441	(435) 828-7481
NRS/Enviro Scientist:	Jannice Cutler	(435) 781-3400	
NRS/Enviro Scientist:	Michael Cutler	(435) 781-3401	
NRS/Enviro Scientist:	Anna Figueroa	(435) 781-3407	
NRS/Enviro Scientist:	Verlyn Pindell	(435) 781-3402	
NRS/Enviro Scientist:	Darren Williams	(435) 781-4447	
NRS/Enviro Scientist:	Nathan Packer	(435) 781-3405	
		Fax: (435) 781-4410	

A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR FIELD REPRESENTATIVE TO INSURE COMPLIANCE

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.**

NOTIFICATION REQUIREMENTS

Location Construction (Notify Environmental Scientist)	-	Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify Environmental Scientist)	-	Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	-	Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to running casing and cementing all casing strings.
BOP & Related Equipment Tests (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify Petroleum Engineer)	-	Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

UDOGM

SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)

General Surface COA

- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A report will be prepared by a BLM permitted paleontologist and submitted to the AO at the completion of surface disturbing activities.
- All the culverts and low water crossing will be installed according to the BLM Gold Book. Low water crossing will be installed by dipping the road down to the bed of drainage and filling with cobble rock. Culverts and low water crossing will be installed as need
- Bury pipeline at all low water crossings (minimum of 4 feet or to bed rock).
- Construct a ditch or berm after the pit has been reclaimed, All berms and ditches will be maintain throughout the life of the well.
- During construction and drilling BLM will be contacted if conditions are wet to determine if gravel should be used on the roads and location. Once the location has been drilled the gravel will be placed between the anchor points and gravel will be placed on the road where the clay soils are located.
- Road and pipeline will need a right-of-way.
- A plant survey for Sclerocactus was done and there where no plants identified near or on this location.
- Due to critical soils, BLM will be contacted if the location is being constructed or drilled during wet weather to approve or disapprove all activities during wet weather.

DOWNHOLE CONDITIONS OF APPROVAL

SITE SPECIFIC DOWNHOLE CONDITIONS OF APPROVAL

- None.

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- **Cement baskets shall not be run on surface casing.**
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.

- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.

- Chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.

- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

- **Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**

- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.

- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.

- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:

    - Operator name, address, and telephone number.

    - Well name and number.

    - Well location (¼¼, Sec., Twn, Rng, and P.M.).

    - Date well was placed in a producing status (date of first production for which royalty will be paid).

    - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).

    - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.

    - Unit agreement and/or participating area name and number, if applicable.

    - Communitization agreement number, if applicable.

- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.

- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.

- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or

data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.

- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.

- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.

- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.

- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.

- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.

- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

Form 3160-5
(February 2005)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
VERNAL FIELD OFFICE
2007 FEB -1 PM 3:32
DEPT OF THE INTERIOR
BUREAU OF LAND MGMT.

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160 - 3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

5. Lease Serial No.
UTU76042

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well
☐ Oil Well ☑ Gas Well ☐ Other

8. Well Name and No.
Federal 23-29

2. Name of Operator **EOG Resources, Inc.**

9. API Well No.
~~43-047-35262~~ 43-047-38328

3a. Address
600 17th Street, Suite 1000N, Denver, CO 80202

3b. Phone No. *(include area code)*
303-824-5582

10. Field and Pool, or Exploratory Area
Natural Buttes

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
NE/SW, Sec. 29-T8S-R23E
1980 FSL & 1980 FWL, Lat 40.091911, LON 109.353328

11. County or Parish, State
Uintah County, Utah

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☑ Other **Change of Operator**
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Please be advised that EOG Resources, Inc. is considered to be the operator of the above referenced well and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. The effective date of change is May 1, 2006.

BLM Bond No. NM2308

EnCana Corporation
1800, 855 - 2nd Street SW
Calgary, AB T2P 2S5

Date 1-26-07

Accepted by the Utah Division of Oil, Gas and Mining
FOR RECORD ONLY

14. I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)* **Amber Schafer** Title **Operations Clerk**

Signature Amber Schafer Date 1/29/07

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title Assn Lands & Mineral Date 6-28-07

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office **VERNAL FIELD OFFICE**

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

RECEIVED
JUL 13 2007
DIV. OF OIL, GAS & MINING

UDOGM

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CONFIDENTIAL

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE – *Other instructions on page 2.*

5. Lease Serial No.
UTU-76042

6. If Indian, Allottee or Tribe Name

7. If Unit of CA/Agreement, Name and/or No.

1. Type of Well
☐ Oil Well ☑ Gas Well ☐ Other

8. Well Name and No.
Hoss 67-29

2. Name of Operator
EOG Resources, Inc.

9. API Well No.
43-047-38328

3a. Address
600 17th Street, Suite 1000N
Denver, CO 80202

3b. Phone No. *(include area code)*
303-824-5526

10. Field and Pool or Exploratory Area
Natural Buttes/Wasatch/Mesaverde

4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*
1980' FSL & 1980' FWL (NESW)
Sec. 29-T8S-R23E 40.091911 LAT 109.353328 LON

11. Country or Parish, State
Uintah County, Utah

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete	☑ Other Commingling request
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
☐ Final Abandonment Notice	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

EOG Resources, Inc. requests authorization for commingling of production from the Wasatch and Mesaverde formations in the referenced wellbore. In the event allocation of production is necessary, the allocation will be based on proportionate net pay as calculated from cased-hole logs. Production from the Wasatch and Mesaverde formations will be commingled in the wellbore and produced through open-ended 2-3/8" tubing landed below all perforations in the 4-1/2" production casing.

Attached is a map showing the location of all wells on contiguous oil and gas leases or drilling units and an affidavit showing that this application has been provided to owners of all contiguous oil and gas leases or drilling units overlying the pool.

Accepted by the
Utah Division of
Oil, Gas and Mining
Date: 10/24/07
By: [signature]

Federal Approval Of This
Action Is Necessary

14. I hereby certify that the foregoing is true and correct.
Name *(Printed/Typed)*
Mary A. Maestas

Title Regulatory Assistant

Signature Mary A. Maestas

Date 09/21/2007

10/29/07
RM

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

RECEIVED
SEP 25 2007
DIV. OF OIL, GAS & MINING

STATE OF COLORADO)

) ss

COUNTY OF DENVER)

VERIFICATION

Mary A. Maestas, of lawful age, being first duly sworn upon oath, deposes and says:
She is a Regulatory Assistant of EOG Resources, Inc., of Denver, Colorado. EOG Resources, Inc. is the operator of the following described well:

Hoss 67-29
1980' FSL – 1980' FWL (NESW)
SECTION 29, T8S, R23E
UINTAH COUNTY, UTAH

EOG Resources, Inc., and Encana Oil & Gas (USA) Inc., Exhibit A, are the only owners in the well and/or of all contiguous oil and gas leases or drilling units overlying the pool.

On the 21st day of September, 2007 she placed in the United States mail, with postage prepaid, a copy of the attached Application for Commingling in one wellbore for the subject well.

Said envelope, which contained these instruments, was addressed to the Utah Division of Oil, Gas & Mining, Bureau of Land Management, and Encana Oil & Gas (USA) Inc.

Further affiant saith not.

Mary A. Maestas
Regulatory Assistant

Subscribed and sworn before me this 21st day of September, 2007.

Notary Public

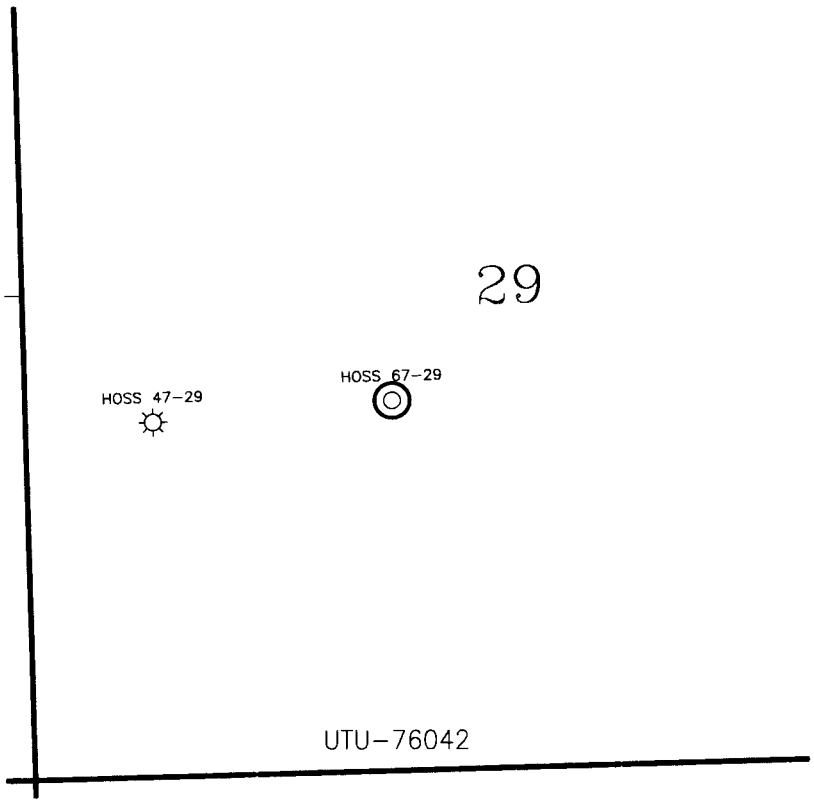
My Commission Expires: 2/13/2010

JACQUELINE L. WARNER NOTARY PUBLIC STATE OF COLORADO

Exhibit "A" to Affidavit
Hoss 67-29 Application to Commingle

Encana Oil & Gas (USA) Inc.
370 17th Street, Suite 1700
Denver, Colorado 80202
Attn: Mr. Barrett Brannon

R 23 E



HOSS 67-29

Scale: 1"=1000'

0 1/4 1/2 Mile

N

eog resources

Denver Division

EXHIBIT "A"

HOSS 67-29 (formerly known as FED 23-29)

Commingling Application

Uintah County, Utah

Scale: 1"=1000'	D:\utah\Commingled\Hoss67-29_commingled.dwg Layout1	Author GT	Jul 10, 2007 - 3:31pm

CONFIDENTIAL

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER: UTU76042

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER: Hoss 67-29

2. NAME OF OPERATOR: EOG RESOURCES, INC.

9. API NUMBER: 43-047-38328

3. ADDRESS OF OPERATOR: 1060 East Highway 40 CITY VERNAL STATE UT ZIP 84078

PHONE NUMBER: (435) 789-0790

10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1980 FSL 1980 FWL 40.091911 LAT 109.353328 LON

COUNTY: UINTAH

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 29 8S 23E S.L.B. & M

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☑ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start:	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: APD EXTENSION REQUEST
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

EOG Resources, Inc. respectfully requests the APD for the referenced well be extended for one year.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 10-10-07

By:

10-11-07
RM

NAME (PLEASE PRINT) Kaylene R. Gardner TITLE Lead Regulatory Assistant

SIGNATURE DATE 10/4/2007

(This space for State use only)

RECEIVED
OCT 05 2007
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

[redacted]

Application for Permit to Drill
Request for Permit Extension
Validation
(this form should accompany the Sundry Notice requesting permit extension)

API: 43-047-38328
Well Name: Hoss 67-29
Location: 1980 FSL 1980 FWL (NESW), SECTION 29, T8S, R23E S.L.B.&M
Company Permit Issued to: EOG RESOURCES, INC.
Date Original Permit Issued: 10/2/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes☐No☐

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes☐No☑

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes☐No☑

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes☐No☑

Has the approved source of water for drilling changed? Yes☐No☑

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes☐No☑

Is bonding still in place, which covers this proposed well? Yes☑No☐

Signature

10/4/2007
Date

Title: LEAD REGULATORY ASSISTANT

Representing: EOG RESOURCES, INC.

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

5. Lease Serial No.
UTU76042

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
FEDERAL 23-29

2. Name of Operator
EOG RESOURCES, INC.
Contact: MARY A. MAESTAS
E-Mail: mary_maestas@eogresources.com

9. API Well No.
43-047-38328

3a. Address
600 17TH ST., SUITE 1000N
DENVER, CO 80202

3b. Phone No. (include area code)
Ph: 303-824-5526
Fx: 303-824-5527

10. Field and Pool, or Exploratory
NATURAL BUTTES/WASATCH/MV

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 29 T8S R23E NESW 1980FSL 1980FWL
40.09191 N Lat, 109.35333 W Lon

11. County or Parish, and State
UINTAH COUNTY, UT

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

EOG Resources, Inc. requests permission to change the well name on the referenced well

From:
Federal 23-29

To:
Hoss 67-29

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #56414 verified by the BLM Well Information System
For EOG RESOURCES, INC., sent to the Vernal

Name *(Printed/Typed)* MARY A. MAESTAS — Title REGULATORY ASSISTANT

Signature (Electronic Submission) — Date 09/19/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____ Title _____ Date _____

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED**

RECEIVED
OCT 09 2007
DIV. OF OIL, GAS & MINING

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

CONFIDENTIAL

5. Lease Serial No.
UTU76042

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
HOSS 67-29

2. Name of Operator
EOG RESOURCES INC
Contact: MARY A MAESTAS
E-Mail: mary_maestas@eogresources.com

9. API Well No.
43-047-38328

3a. Address
600 17TH STREET SUITE 1000N
DENVER, CO 80202

3b. Phone No. (include area code)
Ph: 303-824-5526

10. Field and Pool, or Exploratory
NATURAL BUTTES/WASATCH/MV

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 29 T8S R23E NESW 1980FSL 1980FWL
40.09191 N Lat, 109.35333 W Lon

11. County or Parish, and State
UINTAH COUNTY, UT

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Change to Original A PD
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

EOG Resources, Inc. requests permission to change the surface casing depth on the subject well from 500' to 2300'.

Attached is a revised drilling plan.

COPY SENT TO OPERATOR
Date: 11/06/07
Initials: CHD

Accepted by the
Utah Division of
Oil, Gas and Mining
Date: 11/5/07
By:

Federal Approval Of This
Action Is Necessary

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #56881 verified by the BLM Well Information System
For EOG RESOURCES INC, sent to the Vernal

Name *(Printed/Typed)* MARY A MAESTAS — Title REGULATORY ASSISTANT

Signature (Electronic Submission) — Date 10/25/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By — Title — Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. — Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

RECEIVED
OCT 29 2007
DIV. OF OIL, GAS & MINING

EIGHT POINT PLAN

HOSS 67-29
NE/SW, SEC. 29, T8S, R23E, S.L.B.&M..
UINTAH COUNTY, UTAH

1. & 2. ESTIMATED TOPS & ANTICIPATED OIL, GAS, & WATER ZONES:

FORMATION	TVD-RKB (ft)	Objective	Lithology	
Green River	2,216		Shale	
Wasatch	5,203	Primary	Sandstone	Gas
Chapita Wells	5,815	Primary	Sandstone	Gas
Buck Canyon	6,491	Primary	Sandstone	Gas
North Horn	7,095	Primary	Sandstone	Gas
KMV Price River	7,642	Primary	Sandstone	Gas
KMV Price River Middle	8,408	Primary	Sandstone	Gas
KMV Price River Lower	9,300	Primary	Sandstone	Gas
Sego	9,774		Sandstone	
TD	**9,960**			

Estimated TD: **9,960' or 200'± below Sego top** **Anticipated BHP: 5,440 Psig**

1. Fresh Waters may exist in the upper, approximately 1,000 ft ± of the Green River Formation, with top at about 2,000 ft ±.
2. Cement isolation is installed to surface of the well isolating all zones by cement.

3. PRESSURE CONTROL EQUIPMENT:

Production Hole – 5000 Psig
BOP schematic diagrams attached.

4. CASING PROGRAM:

CASING	Hole Size	Length	Size	WEIGHT	Grade	Thread	Rating Collapse	Factor Burst	Tensile
Conductor	17 ½"	0 – 45'	13 ⅜"	48.0#	H-40	STC	770 PSI	1730 PSI	322,000#
Surface	12 ¼"	0 – 2,300' KB±	9-⅝"	36.0#	J-55	STC	2020 PSI	3520 Psi	394,000#
Production	7-7/8"	Surface – TD	4-½"	11.6#	P-110	LTC	7560 PSI	10,690 Psi	279,000#

Note: 12-¼" surface hole will be drilled to a total depth of 200'± below the base of the Green River lost circulation zone and cased w/9-⅝" as shown to that depth. Drilled depth may be shallower or deeper than the 2300' shown above depending on the actual depth of the loss zone.

All casing will be new or inspected.

EIGHT POINT PLAN

HOSS 67-29
NE/SW, SEC. 29, T8S, R23E, S.L.B.&M..
UINTAH COUNTY, UTAH

5. Float Equipment:

Surface Hole Procedure (0'- 2300'±)

Guide Shoe
Insert Float Collar (PDC drillable)
Centralizers: 1-5' above shoe, top of jts. #2 and #3 then every 5th joint to surface. (15 total)

Production Hole Procedure (2300'± - TD):

Float shoe, 1 joint casing, float collar and balance of casing to surface. 4-½", 11.6#, N-80 or equivalent marker collars or short casing joints to be placed at top of Price River and 400' above top of Wasatch. Centralizers to be placed 5' above shoe on joint #1, top of joint #2, and every 2nd joint to 400' above Wasatch Island top. Thread lock float shoe, top and bottom of float collar, and top of 2nd joint.

6. MUD PROGRAM

Surface Hole Procedure (Surface - 2300'±):

Air/air mist or aerated water.

Production Hole Procedure (2300'± - TD): Anticipated mud weight 9.5 – 10.5 ppg depending on actual wellbore conditions encountered while drilling.

2300'± - TD A closed mud system will be utilized. A bentonite gelled water mud system will be used to control viscosity w/PHPA polymer used for supplemental viscosity and clay encapsulation/inhibition. Water loss will be maintained at <15cc's using white starch or PAC. Bactericides will be used as needed. Anticipated pH will range from 9.0-10.0. Mud weight will be adjusted as necessary for well control. Deflocculants/thinners will be used as necessary to maintain mud quality. LCM sweeps will be utilized as necessary to control lost circulation and mud loss. CO2 contamination, if encountered, will be treated with lime and gypsum.

7. VARIANCE REQUESTS:

Reference: Onshore Oil and Gas Order No. 2 – Item E: Special Drilling Operations

EOG Resources, Inc. requests a variance to regulations requiring the blooie line to be 100' in length. Due to reduce location excavation, the blooie line will be approximately 75' in length

EIGHT POINT PLAN

HOSS 67-29
NE/SW, SEC. 29, T8S, R23E, S.L.B.&M..
UINTAH COUNTY, UTAH

8. EVALUATION PROGRAM:

Logs: Mud log from base of surface casing to TD.
Cased-hole Logs: Cased-hole logs will be run in lieu of open-hole logs consisting of the following: **Cement Bond / Casing Collar Locator and Pulsed Neutron**

9. CEMENT PROGRAM:

Surface Hole Procedure (Surface - 2300'±):

Lead: **185 sks** Class "G" cement with 16% Gel, 10 #/sx Gilsonite, 3% Salt, 2% $CaCl_2$, 3 lb/sx GR3 ¼ #/sx Flocele mixed at 11 ppg, 3.82 ft^3/sk. yield, 23 gps water.

Tail: **207 sks** Class "G" cement with 2% $CaCl_2$, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 ft^3/sk., 5.2 gps water.

Top Out: As necessary with Class "G" cement with 2% $CaCl_2$, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 ft^3/sk., 5.2 gps water.

Note: Cement volumes will be calculated to bring lead cement to surface and tail cement to 500'above the casing shoe.

Production Hole Procedure (2300'± - TD)

Lead: **167 sks:** Hi-Lift "G" w/12% D20 (Bentonite), 1% D79 (Extender), 5% D44 (Salt),0.2% D46 (Antifoam), 0.25% D112 (Fluid Loss Additive), 0.25 pps D29 (cello flakes) mixed at 11.0 ppg, 3.91 ft^3/sk., 24.5 gps water.

Tail: **925 sks**: 50:50 Poz "G" w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.075% D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1 ppg, 1.28 ft^3/sk., 5.9gps water.

Note: The above number of sacks is based on gauge-hole calculation.
Lead volume to be calculated to bring cement to 200'± above 9-5/8" casing shoe.
Tail volume to be calculated to bring cement to 400'± above top of Wasatch.

Final Cement volumes will be based upon gauge-hole plus 45% excess.

EIGHT POINT PLAN

HOSS 67-29
NE/SW, SEC. 29, T8S, R23E, S.L.B.&M..
UINTAH COUNTY, UTAH

10. ABNORMAL CONDITIONS:

Surface Hole (Surface - 2300'±):

Lost circulation

Production Hole (2300'± - TD):
Sloughing shales, lost circulation and key seat development are possible in the Wasatch Formation.

11. STANDARD REQUIRED EQUIPMENT:

A. Choke Manifold
B. Upper and Lower Kelly Cock
C. Stabbing Valve
D. Visual Mud Monitoring

12. HAZARDOUS CHEMICALS:

No chemicals subject to reporting under SARA title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

(Attachment: BOP Schematic Diagram)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: EOG RESOURCES, INC.
Operator Account Number: N 9550
Address: 1060 East Highway 40
city Vernal
state UT zip 84078
Phone Number: (435) 781-9111

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-38581	CHAPITA WELLS UNIT 1255-7		SENE	7	9S	23E	UINTAH
Action Code	**Current Entity Number**	**New Entity Number**	**Spud Date**			**Entity Assignment Effective Date**	
A	99999	16492	11/9/2007			11/26/07	

Comments: PRRV = MVRD

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-38328	HOSS 67-29		NESW	29	8S	23E	UINTAH
Action Code	**Current Entity Number**	**New Entity Number**	**Spud Date**			**Entity Assignment Effective Date**	
A	99999	16493	11/10/2007			11/26/07	

Comments: PRRV = MVRD CONFIDENTIAL

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-38959	HOSS 45-29		SESW	29	8S	23E	UINTAH
Action Code	**Current Entity Number**	**New Entity Number**	**Spud Date**			**Entity Assignment Effective Date**	
A	99999	16494	11/8/2007			11/26/07	

Comments: PRRV = MVRD

ACTION CODES:

- **A** - Establish new entity for new well (single well only)
- **B** - Add new well to existing entity (group or unit well)
- **C** - Re-assign well from one existing entity to another existing entity
- **D** - Re-assign well from one existing entity to a new entity
- **E** - Other (Explain in 'comments' section)

Kaylene R. Gardner
Name (Please Print)

Signature

Lead Regulatory Assistant
Title

11/12/2007
Date

(5/2000)

RECEIVED
NOV 13 2007
DIV. OF OIL, GAS & MINING

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

CONFIDENTIAL

5. Lease Serial No.
UTU76042

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
HOSS 67-29

2. Name of Operator
EOG RESOURCES, INC.
Contact: MARY A. MAESTAS
E-Mail: mary_maestas@eogresources.com

9. API Well No.
43-047-38328

3a. Address
600 17TH ST. SUITE 1000N
DENVER, CO 80202

3b. Phone No. (include area code)
Ph: 303-824-5526

10. Field and Pool, or Exploratory
NATURAL BUTTES/WASATCH/MV

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 29 T8S R23E NESW 1980FSL 1980FWL
40.09191 N Lat, 109.35333 W Lon

11. County or Parish, and State
UINTAH COUNTY, UT

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☒ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Production Start-up
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

The referenced well was turned to sales on 3/24/2008. Please see the attached operations summary report for drilling and completion operations performed on the subject well.

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #59274 verified by the BLM Well Information System
For EOG RESOURCES, INC., sent to the Vernal

Name *(Printed/Typed)* MARY A. MAESTAS — Title REGULATORY ASSISTANT

Signature (Electronic Submission) — Date 03/26/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____ Title _____ Date _____

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Office _____

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED**

RECEIVED
MAR 28 2008
DIV. OF OIL, GAS & MINING

WELL CHRONOLOGY REPORT

Report Generated On: 03–26–2008

Well Name	HOSS 067–29	**Well Type**	DEVG	**Division**	DENVER
Field	PONDEROSA	**API #**	43–047–38328	**Well Class**	1SA
County, State	UINTAH, UT	**Spud Date**	12–20–2007	**Class Date**	03–24–2008
Tax Credit	N	**TVD / MD**	9,960/ 9,960	**Property #**	059894
Water Depth	0	**Last CSG**	0.0	**Shoe TVD / MD**	0/ 0
KB / GL Elev	4,934/ 4,918				
Location	Section 29, T8S, R23E, NESW, 1980 FSL & 1980 FWL				

Event No	1.0	**Description**	DRILL & COMPLETE		
Operator	EOG RESOURCES, INC	**WI %**	66.67	**NRI %**	44.67

AFE No	304267	**AFE Total**	2,264,800	**DHC / CWC**	1,078,900/ 1,185,900
Rig Contr	TRUE	**Rig Name**	TRUE #31	**Start Date**	01–03–2007
Release Date	12–26–2007				

01–03–2007 **Reported By** SHARON CAUDILL

DailyCosts: Drilling	$0	**Completion**	$0	**Daily Total**	$0
Cum Costs: Drilling	$0	**Completion**	$0	**Well Total**	$0

MD	0	**TVD**	0	**Progress**	0	**Days**	0	**MW**	0.0	**Visc**	0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: LOCATION DATA

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION DATA: 1980' FSL & 1980' FEL (NE/SW) SECTION 29, T8S, R23E UINTAH COUNTY, UTAH LAT 40.091911, LONG 109.353328 (NAD 27) TRUE #31 OBJECTIVE: 9960' TD, MESAVERDE DW/GAS PONDEROSA PROSPECT DD&A: CHAPITA DEEP WELLS PONDEROSA FIELD LEASE: UTU–76042 ELEVATION: 4919.1' NAT GL, 4917.7' PREP GL (DUE TO ROUNDING THE PREP GL WILL BE 4918'), 4934' KB (16') EOG WI 100%, NRI 67%

10–26–2007 **Reported By** TERRY CSERE

DailyCosts: Drilling	$38,000	**Completion**	$0	**Daily Total**	$38,000

Cum Costs: Drilling $38,000 **Completion** $0 **Well Total** $38,000

MD 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	CONSTRUCTION OF LOCATION WILL START TODAY.

10-29-2007 **Reported By** TERRY CSERE

DailyCosts: Drilling $38,000 **Completion** $0 **Daily Total** $38,000

Cum Costs: Drilling $38,000 **Completion** $0 **Well Total** $38,000

MD 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION 15% COMPLETE.

10-30-2007 **Reported By** TERRY CSERE

DailyCosts: Drilling $0 **Completion** $0 **Daily Total** $0

Cum Costs: Drilling $38,000 **Completion** $0 **Well Total** $38,000

MD 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION 25% COMPLETE.

10-31-2007 **Reported By** TERRY CSERE

DailyCosts: Drilling $0 **Completion** $0 **Daily Total** $0

Cum Costs: Drilling $38,000 **Completion** $0 **Well Total** $38,000

MD 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION 30% COMPLETE.

11-01-2007 **Reported By** TERRY CSERE

DailyCosts: Drilling $0 **Completion** $0 **Daily Total** $0

Cum Costs: Drilling $38,000 **Completion** $0 **Well Total** $38,000

MD 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION 40% COMPLETE.

11-02-2007 **Reported By** TERRY CSERE

DailyCosts: Drilling $0 **Completion** $0 **Daily Total** $0

Cum Costs: Drilling $38,000 **Completion** $0 **Well Total** $38,000

MD 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION 50% COMPLETE.

11-05-2007 **Reported By** TERRY CSERE

DailyCosts: Drilling $0 **Completion** $0 **Daily Total** $0

Cum Costs: Drilling $38,000 **Completion** $0 **Well Total** $38,000

MD 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION 60% COMPLETE.

11-06-2007 **Reported By** TERRY CSERE

DailyCosts: Drilling $0 **Completion** $0 **Daily Total** $0

Cum Costs: Drilling $38,000 **Completion** $0 **Well Total** $38,000

MD 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION IS 70% COMPLETE.

11-07-2007 **Reported By** TERRY CSERE

DailyCosts: Drilling $0 **Completion** $0 **Daily Total** $0

Cum Costs: Drilling $38,000 **Completion** $0 **Well Total** $38,000

MD 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION 80% COMPLETE.

11-08-2007 **Reported By** TERRY CSERE

DailyCosts: Drilling $0 **Completion** $0 **Daily Total** $0

Cum Costs: Drilling $38,000 **Completion** $0 **Well Total** $38,000

MD 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION COMPLETE. PUSHING OUT PIT.

11-09-2007 **Reported By** TERRY CSERE

DailyCosts: Drilling $0 **Completion** $0 **Daily Total** $0

Cum Costs: Drilling $38,000 **Completion** $0 **Well Total** $38,000

MD 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	PUSHING OUT PIT.

11-12-2007 **Reported By** JERRY BARNES

DailyCosts: Drilling $0 **Completion** $0 **Daily Total** $0

Cum Costs: Drilling $38,000 **Completion** $0 **Well Total** $38,000

MD 80 **TVD** 80 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: BUILD LOCATION/WO AIR RIG

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LINE TUESDAY.
			ROCKY MOUNTAIN DRILLING SPUD A 20" HOLE ON 11/10/2007 @ 2:30 PM. SET 80' OF 14" CONDUCTOR. CEMENT TO SURFACE WITH READY MIX. JERRY BARNES NOTIFIED CAROL DANIELS W/UDOGM OF THE SPUD 11/10/2007 @ 1.30 PM & MICHAEL LEE W/BLM OF THE SPUD 11/10/07 @ 1:30 PM.

11-13-2007 **Reported By** JERRY BARNES

DailyCosts: Drilling $0 **Completion** $0 **Daily Total** $0

Cum Costs: Drilling $38,000 **Completion** $0 **Well Total** $38,000

MD 80 **TVD** 80 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: BUILD LOCATIONS

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LINE TODAY

11-14-2007 **Reported By** TERRY CSERE

DailyCosts: Drilling $0 **Completion** $0 **Daily Total** $0

Cum Costs: Drilling $38,000 **Completion** $0 **Well Total** $38,000

MD 80 **TVD** 80 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION COMPLETE.

12-05-2007 **Reported By** JERRY BARNES

DailyCosts: Drilling $224,048 **Completion** $0 **Daily Total** $224,048

Cum Costs: Drilling $262,048 **Completion** $0 **Well Total** $262,048

MD 2,668 **TVD** 2,668 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: WORT

Start	End	Hrs	Activity Description

06:00	06:00	24.0	MIRU PRO PETRO AIR RIG #9 ON 11/21/2007. DRILLED 12-1/4" HOLE TO 2700' GL. ENCOUNTERED WATER @ 2250'. RAN 62 JTS (2652.45') OF 9-5/8", 36.0#/FT, J-55, ST&C CASING WITH TOP-CO GUIDE SHOE AND FLOAT COLLAR. 8 CENTRALIZERS SPACED MIDDLE OF SHOE JOINT AND EVERY COLLAR TILL GONE. LANDED @ 2668' KB. RAN 200' OF 1" PIPE DOWN BACK SIDE. RDMO AIR RIG. MIRU PRO PETRO CEMENTING. HELD SAFETY MEETING. PRESSURE TESTED LINES AND CEMENT VALVE TO 1000 PSIG. PUMPED 195 BBLS FRESH WATER & 20 BBLS GELLED WATER FLUSH AHEAD OF CEMENT. MIXED & PUMPED 260 SX (176.8 BBLS) OF PREMIUM LEAD CEMENT W/16% GEL, 10 #/ SX GILSONITE, 3 #/ SX GR-3, 3% SALT & ¼ #/ SX FLOCELE. MIXED LEAD CEMENT @ 11.0 PPG W/YIELD OF 3.82 CF/SX. TAILED IN W/200 SX (41 BBLS) OF PREMIUM CEMENT W/2% CACL2 & ¼ #/ SX FLOCELE. MIXED TAIL CEMENT TO 15.8 W/YIELD OF 1.15 CF/SX. DISPLACED CEMENT W/200 BBLS FRESH WATER. BUMPED PLUG W/800# @ 4:27 PM, 11/25/2007. CHECKED FLOAT, FLOAT HELD. SHUT-IN CASING VALVE. NO RETURNS. TOP JOB # 1: PUMP DOWN 200' OF 1" PIPE. MIXED & PUMPED 100 SX (20.4 BBLS) OF PREMIUM CEMENT W/4% CACL2 & ¼ #/ SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 2 HRS. TOP JOB # 2: MIXED & PUMPED 125 SX (25.6 BBLS) OF PREMIUM CEMENT W/2% CACL2 & ¼ #/ SX FOLCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 2 HRS 20 MINUTES. TOP JOB # 3: MIXED & PUMPED 200 SX (41 BBLS) OF PREMIUM CEMENT W/2% CACL2 & ¼ #/ SX FOLCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 2 HRS 30 MINUTES. TOP JOB # 4: MIXED & PUMPED 100 SX (20.4 BBLS) OF PREMIUM CEMENT W/2% CACL2 & ¼ #/ SX FOLCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 1 HRS 45 MINUTES. TOP JOB # 5: MIXED & PUMPED 125 SX (25.6 BBLS) OF PREMIUM CEMENT W/2% CACL2 & ¼ #/ SX FOLCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 1 HR. TOP JOB # 6: MIXED & PUMPED 50 SX (10.2 BBLS) OF PREMIUM CEMENT W/2% CACL2 & ¼ #/ SX FOLCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. HOLE FILLED & STOOD FULL. RDMO PRO PETRO CEMENTERS. PREPARED LOCATION FOR ROTARY RIG. WORT. WILL DROP FROM REPORT UNTIL FURTHER ACTIVITY. MIRU GLENNS WIRELINE SERVICE. RAN IN HOLE W/STRAIGHT HOLE SURVEY. TAG CEMENT @ 2546' GL. PICKED UP TO 2526' & TOOK SURVEY. BULLS EYE. DALL COOK NOTIFIED JAMIE SPARGER W/BLM OF THE SURFACE CASING & CEMENT JOB ON 11/20/2007 @ 5:30 PM.

12-18-2007 **Reported By** JIM LOUDERMILK

DailyCosts: Drilling	$34,200	**Completion**	$0	**Daily Total**	$34,200
Cum Costs: Drilling	$296,248	**Completion**	$0	**Well Total**	$296,248

MD	2,668	**TVD**	2,668	**Progress**	0	**Days**	0	**MW**	0.0	**Visc**	0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: MIRURT

Start	End	Hrs	Activity Description
06:00	08:30	2.5	RDRT / PREPARE FOR TRUCKS.

08:30	06:00	21.5	RDMO / MIRU. WESTROC TRUCKING TO MOVE 1 MILES FROM THE HOSS 45–29 TO THE HOSS 67–29. UTILIZING 5 BED TRUCKS, 2 HAUL TRUCKS 1 FORK LIFT & 1 CRANE. MOVE IS 10% COMPLETE. CREWS: FULL / NO ACCIDENTS REPORTED / HSM: RDMO. TRANSFER 8 JTS, (357.89' NET), OF 4.5", 11.6#, HCP110, LTC R3 CASING, 1 LANDING JT, (16.0' NET), OF 4.5", 11.6#, HCP110 LTC CASING AND 3900 GAL. #2 DIESEL FROM THE HOSS 45–29 TO THE HOSS 67–29. TRANSFER APPROXIMATELY 300 BBL'S OF 10.7 PPG MUD TO THE HOSS 67–29.

12–19–2007 **Reported By** JIM LOUDERMILK

DailyCosts: Drilling	$42,832	**Completion**	$0	**Daily Total**	$42,832
Cum Costs: Drilling	$339,080	**Completion**	$0	**Well Total**	$339,080

MD	2,668	**TVD**	2,668	**Progress**	0	**Days**	0	**MW**	0.0	**Visc**	0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: RURT.

Start	End	Hrs	Activity Description
06:00	13:00	7.0	RDMO / MIRU. UTILIZING 5 BED TRUCKS, 2 HAUL TRUCKS 1 FORK LIFT & 1 CRANE. TRUCKS RELEASED ON 12/18/2007 @ 13:00 HRS.
13:00	06:00	17.0	RURT / RAISED DERRICK @ 15:00 HRS. FIRED BOILER @ 20:00 HRS & SHUT DOWN AS OF 22:30 HRS ON 12/18/2007 DUE TO RUPTURED FLUES. DRAIN WATER & STEAM CIRCULATING SYSTEMS & CONTINUE TO RIG UP. BOP TESTER SCHEDULED FOR 06:00 ON 12/19/2007 HAS BEEN POSTPONED. TRUE ANTICIPATES A REPLACEMNT BOILER TO BE ON LOCATION ON 12/19/2007 @ 10:00. ESTIMATE BOP TEST ON 12/19/2007 @ 14:00 HRS. CREWS: FULL / NO ACCIDENTS REPORTED / HSM: MIRU.

12–20–2007 **Reported By** JIM LOUDERMILK

DailyCosts: Drilling	$24,237	**Completion**	$711	**Daily Total**	$24,948
Cum Costs: Drilling	$363,317	**Completion**	$711	**Well Total**	$364,028

MD	2,668	**TVD**	2,668	**Progress**	0	**Days**	0	**MW**	0.0	**Visc**	0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: PRESPUD WALK THROUGH.

Start	End	Hrs	Activity Description
06:00	14:00	8.0	RURT / REPLACEMENT BOILER ON LOCATION @ 10:30 HRS, WIRED & FIRED @ 13:00 HRS.
14:00	16:00	2.0	NU BOP. DAYWORK BEGINS ON 12/19/2007 @ 14:00 HRS.
16:00	22:00	6.0	TESTED PIPE RAMS, BLIND RAMS, HCR, CHOKE VALVE, CHOKE LINE & MANIFOLD AND KILL LINE VALVES TO 5000 PSI FOR 10 MINUTES. TESTED UPPER & LOWER KELLY COCKS, FLOOR VALVE & INSIDE BOP TO 5000 PSI FOR 10 MINUTES. TESTED ANNULAR PREVENTER TO 3000 PSI FOR 10 MINUTES. PERFORMED ACCUMULATOR FUNCTION TEST. INITIAL ACCUMULATOR PRESSURE WAS 2800 PSI & 1350 PSI AFTER FUNCTION TEST. TESTED CASING TO 1500 PSI FOR 30 MINUTES. WINTERIZED CHOKE MANIFOLD & INSALLED WEAR BUSHING. NOTIFIED JAMIE SPARGER, (VIA VOICE MAIL), WITH THE BLM'S VERNAL FIELD OFFICE ON 12/18/2007 @ 08:00 OF BOP TEST TO TAKE PLACE ON 12/19/2007 @ 06:00+/–.NO BLM REP ON LOCATION TO WITNESS TEST.
22:00	03:00	5.0	HSM WITH WEATHERFORD TRS & PU BHA & DP. RAN HC 506Z, (SN:) AND HUNTING ESX II .16 MUD MTR.
03:00	04:00	1.0	SLIP & CUT DRILL LINE.
04:00	05:00	1.0	INSTALL ROT HEAD & KELLY DRIVE BUSHING.
05:00	06:00	1.0	PRESPUD WALK THROUGH. CREWS: FULL / NO ACCIDENTS REPORTED / HSM: COLD WEATHER & PU BHA. MUD LOGIC ON LOCATION @ 18:30 HRS ON 12/19/2007. FUEL: 6950 ON HAND.

12–21–2007 **Reported By** JIM LOUDERMILK

DailyCosts: Drilling	$96,877	**Completion**	$0	**Daily Total**	$96,877
Cum Costs: Drilling	$460,194	**Completion**	$711	**Well Total**	$460,905

MD	5,000	**TVD**	5,000	**Progress**	2,332	**Days**	1	**MW**	8.7	**Visc**	28.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: DRILLING @ 5000'

Start	End	Hrs	Activity Description
06:00	09:00	3.0	THAW MUD LINE.
09:00	10:00	1.0	DRILL CEMENT/FLOAT EQUIP. TAG CEMENT @ 2550', FLOAT @ 2622', SHOE @ 2668'. DRILL TO 2670' & PERFORM 10.5 PPG EMW TEST, (290 PSI SPP). FUNCTIONED PIPE RAMS.
10:00	12:00	2.0	DRILLED 2670'-2955', (10-15 WOB / 60 RPM-68MTR / 420 GPM), 143.5 FPH.
12:00	12:30	0.5	SERVICE RIG / FUNCTION PIPE RAMS / CHECK COM.
12:30	20:30	8.0	DRILLED 2955'-3930', (10-15 WOB / 60 RPM-68MTR / 420 GPM), 121.9 FPH.
20:30	22:00	1.5	WORK ON PUMPS.
22:00	06:00	8.0	DRILLED 3930'-5000', (10-15 WOB / 60 RPM-68MTR / 420 GPM), 133.8 FPH. VIS 28 WT 8.9. MTR #1: 18 HRS. CREWS: FULL / NO ACCIDENTS REPORTED / HSM: JOB FOCUS & WINTER CONDITIONS. BOTH CREWS HELD BOP DRILLS. FUEL 5290 GAL USED 1660 GAL. BOILER: 24 HRS.
06:00		18.0	SPUD 7 7/8" HOLE ON 12/20/2007 @ 10:00 HRS.

12-22-2007 **Reported By** JIM LOUDERMILK

DailyCosts: Drilling	$36,126	**Completion**	$616	**Daily Total**	$36,742		
Cum Costs: Drilling	$496,321	**Completion**	$1,327	**Well Total**	$497,648		
MD	6,930	**TVD**	6,930	**Progress**	1,930	**Days**	2	**MW**	9.0	**Visc**	28.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	08:00	2.0	DRILLED 5000'-5200', (10-15K WOB / 60 RPM-68MTR / 420 GPM), 100 FPH.
08:00	08:30	0.5	WLS / 1.5 DEGREES @ 5118'.
08:30	14:30	6.0	DRILLED 5200'-5825', (15-18K WOB / 60 RPM-68MTR / 420 GPM), 104.2 FPH.
14:30	15:00	0.5	SERVICE RIG / FUNCTION PIPE RAMS / CHECK COM.
15:00	06:00	15.0	DRILLED 5825'-6930', (15-18K WOB / 60 RPM-68MTR / 420 GPM), 73.7 FPH. VIS 32 WT 9.1. MTR #1: 23 / 41 HRS. CREWS: FULL / NO ACCIDENTS REPORTED / HSM: FALL PROTECTION & PPE.. FUEL 3113 GAL USED 2177 GAL. BOILER: 24 HRS. WASATCH @ 5230', CHAPITA WELLS @ 5830', BUCK CANYON @ 6530'. BG 40-80U CONN 150-250U MAX 1073U @ 5003'.

12-23-2007 **Reported By** JIM LOUDERMILK

DailyCosts: Drilling	$48,190	**Completion**	$0	**Daily Total**	$48,190		
Cum Costs: Drilling	$544,511	**Completion**	$1,327	**Well Total**	$545,838		
MD	8,115	**TVD**	8,115	**Progress**	1,185	**Days**	3	**MW**	9.2	**Visc**	30.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: DRILLING @ 8115'

Start	End	Hrs	Activity Description
06:00	14:00	8.0	DRILLED 6930'-7330', (15-18K WOB / 60 RPM-68MTR / 420 GPM), 50 FPH.
14:00	14:30	0.5	SERVICE RIG / FUNCTION PIPE RAMS / CHECK COM.
14:30	06:00	15.5	DRILLED 7330'-8115', (15-18K WOB / 60 RPM-68MTR / 420 GPM), 50.6 FPH. VIS 34 WT 9.5.

MTR #1: 23.5 / 64.5 HRS.
CREWS: FULL / NO ACCIDENTS REPORTED / HSM: HAND PLACEMENT & PINCH POINTS.
FUEL 5735 GAL. USED 1860 GAL. REC'D 4500 GAL. BOILER: 24 HRS.
KMV PRICE RIVER @ 7640'. BG 150–450U CONN 800–1100U MAX 3129U @ 7471'.

12–24–2007 **Reported By** JIM LOUDERMILK

DailyCosts: Drilling	$30,728	**Completion**	$0	**Daily Total**	$30,728
Cum Costs: Drilling	$575,239	**Completion**	$1,327	**Well Total**	$576,566

MD	8,978	**TVD**	8,978	**Progress**	863	**Days**	4	**MW**	9.7	**Visc**	35.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: CIRC & PUMP PILL

Start	End	Hrs	Activity Description
06:00	14:00	8.0	DRILLED 8115'–8580', (15–18K WOB / 60 RPM–68MTR / 420 GPM), 58.1 FPH.
14:00	14:30	0.5	SERVICE RIG / FUNCTION PIPE RAMS / CHECK COM.
14:30	05:00	14.5	DRILLED 8580'–8978', (15–18K WOB / 60 RPM–68MTR / 420 GPM), 27.5 FPH.
05:00	06:00	1.0	CBU / MIX & PUMP WEIGHTED PILL. VIS 38 WT 10.2.
			CREWS: FULL / NO ACCIDENTS REPORTED / HSM: MIXING MUD & CHEMICALS–PPE.
			FUEL 3390 GAL. USED 2345 GAL. BOILER: 24 HRS.
			KMV PRICE RIVER MIDDLE @ 8420'. BG 250–600U CONN 800–1700U MAX 3112U @ 8948'.

12–25–2007 **Reported By** JIM LOUDERMILK

DailyCosts: Drilling	$60,203	**Completion**	$0	**Daily Total**	$60,203
Cum Costs: Drilling	$635,443	**Completion**	$1,327	**Well Total**	$636,770

MD	9,565	**TVD**	9,565	**Progress**	587	**Days**	5	**MW**	10.0	**Visc**	38.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: DRILLING @ 9565'

Start	End	Hrs	Activity Description
06:00	10:30	4.5	DROP SURVEY & TRIP OUT / NO TROUBLES, CORRECT JOINT COUNT, FUNCTION BLIND RAMS.
10:30	11:00	0.5	CHANGE OUT BIT & MOTORS, LD 3 POINT REAMERS.
11:00	14:00	3.0	TRIP IN / NO TROUBLES.
14:00	15:00	1.0	WASH THROUGH BRIDGE 8800' / REAM TO BOTTOM.
15:00	06:00	15.0	DRILLED 8978'–9565', (12–18K WOB / 60 RPM–68MTR / 420 GPM), 39.1FPH. VIS 38 WT 10.4.
			MTR #2: 15 / 102 ROT HRS.
			CREWS: FULL / NO ACCIDENTS REPORTED / HSM: TONG OPERATION & MAINTAINENCE.
			FUEL 6028 GAL. USED 2131 GAL. REC'D 4500 GAL. BOILER: 24 HRS.
			KMV PRICE RIVER LOWER @ 9300'. BG 4500–4900U CONN 49000–5300U MAX 6807U @ 9076'.

12–26–2007 **Reported By** JIM LOUDERMILK/PAT CLARK

DailyCosts: Drilling	$31,125	**Completion**	$0	**Daily Total**	$31,125
Cum Costs: Drilling	$666,568	**Completion**	$1,327	**Well Total**	$667,895

MD	9,960	**TVD**	9,960	**Progress**	395	**Days**	6	**MW**	10.3	**Visc**	38.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: LD DP

Start	End	Hrs	Activity Description
06:00	19:30	13.5	DRILLED 9565'–9960', TD, (18–22K WOB / 60 RPM–68MTR / 420 GPM), 30.4 FPH. TD REACHED AT 19:30 HRS, 12/25/07.

19:30	21:00	1.5	SHORT TRIP, (9960'–8900').
21:00	22:30	1.5	CBU / PUMPED 200 BBL'S OF 13.5 PPG MUD, (11.4 EMW). HSM WITH WEATHERFORD TRS.
22:30	06:00	7.5	LDDP, BREAK KELLY & RETRIEVE WEAR BUSHING. VIS 38 WT 10.5.
			MTR #2: 13.5–28.5 / 115.5 ROT HRS.
			CREWS: FULL / NO ACCIDENTS REPORTED / HSM: LDDP, PINCH POINTS & COMMUNICATION.
			FUEL 3822 GAL. USED 2206 GAL. BOILER: 24 HRS.
			MUD LOGGER RELEASED ON 12/25/2007 @ 22:00 HRS. NO REPORT, SEGO @ 9300'. TRIP 6405U.
			NOTIFIED JAMIE SPARGER, (VIA VOICE MAIL), WITH THE BLM'S VERNAL FIELD OFFICE ON 12/25/2007 @ 09:00 OF CASING RUN & CEMENT JOB TO TAKE PLACE ON 12/26/2007 @ 06:00+/–.

12–27–2007 **Reported By** PAT CLARK

DailyCosts: Drilling	$22,659	**Completion**	$194,889	**Daily Total**	$217,548
Cum Costs: Drilling	$689,228	**Completion**	$196,216	**Well Total**	$885,444

MD	9,960	**TVD**	9,960	**Progress**	0	**Days**	7	**MW**	10.3	**Visc**	41.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: RDRT/WO COMPLETION

Start	End	Hrs	Activity Description
06:00	07:00	1.0	FINISH LD/BHA.
07:00	13:30	6.5	R/U CASERS. RUN 4 1/2", 11.6#, HCP–110, LTC CASING AS FOLLOWS: FLOAT SHOE, 1 JT CSG, FLOAT COLLAR, 62 JTS CSG, MARKER JOINT @ 7243', 55 JTS CSG, MJ @ 4830', 112 JTS CSG (230 TOTAL). P/U JT # 231, TAG BOTTOM @ 9960'. L/D JT # 231, P/U LANDING JT, CASING HANGER AND PUP, LAND IN CASING HEAD W/ 80,000#. R/D WEATHERFORD TRS.
13:30	15:30	2.0	CIRCULATE FOR CEMENT. R/U SCHLUMBERGER.
15:30	18:30	3.0	PRESSURE TEST LINES TO 5000 PSI, CEMENT WELL AS FOLLOWS: PUMP 20 BBLS MUD FLUSH, 20 BBLS FRESH WATER, MIX AND PUMP 610 SX(324 BBLS, 1818 CU/FT) LEAD G CEMENT @ 11.5 PPG, 2.98 YLD, H2O 18.227 GAL/SK + 10%D020+.2%D046+.2%D167+.5%D065+.125 LB/SK D130. MIX AND PUMP 1545 SX(355 BBLS, 1993 CU/FT) TAIL 50/50 POZ G CEMENT @ 14.1 PPG, 1.29 YLD, H2O 5.963 GAL/SK +2%D020+.1%D046+.2% D065+.2%D167+.1%D013. WASH UP TO PIT, DROP TOP PLUG AND DISPLACE W/154 BBLS H2O W/2 GALS/1000 L064. FULL RETURNS, NO CEMENT TO SURFACE. MAX PRESSURE 2467 PSI, BUMP PLUG TO 3383 PSI. BLED BACK 2 BBLS, FLOAT HELD. R/D SCHLUMBERGER.
18:30	20:00	1.5	PACK OFF HANGER AND TEST.
20:00	22:00	2.0	NDBOPE, CLEAN MUD TANKS.
22:00	06:00	8.0	RDRT – PREPARE TO MOVE TO HOSS 46–29.
			RIG MOVE 1 MILE
			WESTROC TRUCKING AND M & H TO BE ON LOCATION @ 06:00 FOR RIG MOVE.
			TRANSFER 6 JTS 4 1/2", 11.6#, HCP–110, LTC CSG (261.72') TO HOSS 46–29.
			TRANSFER 1 4 1/2", 11.6#, HCP–110, LTC MARKER JT (21.83') TO HOSS 46–29.
			TRANSFER 1800 GALS DIESEL FUEL @ $3.42/GAL TO HOSS 46–29.
			FULL CREWS, NO ACCIDENTS.
			SAFETY MEETINGS – LDDP, RUN CSG, CEM, R/D.
06:00	06:00	24.0	RIG RELEASED @ 22:00 ON 12–26–07.
			CASING POINT COST: $683,453

12–31–2007 **Reported By** SEARLE

DailyCosts: Drilling	$0	**Completion**	$45,658	**Daily Total**	$45,658
Cum Costs: Drilling	$689,228	**Completion**	$241,874	**Well Total**	$931,102

MD	9,960	**TVD**	9,960	**Progress**	0	**Days**	8	**MW**	0.0	**Visc**	0.0

Formation : **PBTD :** 9908.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: PREP FOR FRACS

Start	End	Hrs	Activity Description
06:00	06:00	24.0	MIRU SCHLUMBERGER. LOG WITH RST/CBL/CCL/VDL/GR FROM PBTD TO 70'. EST CEMENT TOP @ 300'. RD SCHLUMBERGER.

02–17–2008 **Reported By** MCCURDY

DailyCosts: Drilling	$0	**Completion**	$2,178	**Daily Total**	$2,178
Cum Costs: Drilling	$689,228	**Completion**	$244,052	**Well Total**	$933,280

MD	9,960	**TVD**	9,960	**Progress**	0	**Days**	9	**MW**	0.0	**Visc**	0.0

Formation : **PBTD :** 9908.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: WO COMPLETION

Start	End	Hrs	Activity Description
10:00	11:00	1.0	NU 10M FRAC TREE. PRESSURE TESTED FRAC TREE & CASING TO 8500 PSIG. WO COMPLETION.

02–26–2008 **Reported By** CARLSON

DailyCosts: Drilling	$0	**Completion**	$900	**Daily Total**	$900
Cum Costs: Drilling	$689,228	**Completion**	$244,952	**Well Total**	$934,180

MD	9,960	**TVD**	9,960	**Progress**	0	**Days**	10	**MW**	0.0	**Visc**	0.0

Formation : MESAVERDE **PBTD :** 9908.0 **Perf :** 9558–9715 **PKR Depth :** 0.0

Activity at Report Time: PREP TO FRAC

Start	End	Hrs	Activity Description
06:00	06:00	24.0	PERFORATED LPR FROM 9558'–59', 9599'–9600', 9603'–04', 9609'–10', 9625'–26', 9633'–34', 9654'–55', 9679'–80', 9701'–02', 9705'–06', 9711'–12' & 9714'–15' @ 3 SPF & 120° PHASING. RDWL.

02–27–2008 **Reported By** CARLSON

DailyCosts: Drilling	$0	**Completion**	$15,280	**Daily Total**	$15,280
Cum Costs: Drilling	$689,228	**Completion**	$260,232	**Well Total**	$949,460

MD	9,960	**TVD**	9,960	**Progress**	0	**Days**	11	**MW**	0.0	**Visc**	0.0

Formation : MESA VERDE **PBTD :** 9908.0 **Perf :** 8399–9715 **PKR Depth :** 0.0

Activity at Report Time: FRAC

Start	End	Hrs	Activity Description
06:00	06:00	24.0	RU SCHLUMBERGER. FRAC DOWN CASING W/4321 GAL WF120 LINEAR PAD, 4923 GAL WF120 LINEAR W/1# & 1.5# 20/40 SAND, 27089 GAL YF116ST+ W/91700# 20/40 SAND @ 1–4 PPG. MTP 7960 PSIG. MTR 51.3 BPM. ATP 5592 PSIG. ATR 47.4 BPM. ISIP 2900 PSIG. RD SCHLUMBERGER. RUWL. SET 10K CFP @ 9495'. PERFORATED LPR FROM 9316'–17',9324'–25', 9343'–44', 9347'–48', 9369'–70', 9388'–89', 9430'–31', 9446'–47', 9455'–56', 9461'–62', 9468'–69' & 9477'–78' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING W/4268 GAL WF120 LINEAR PAD, 4469 GAL WF120 LINEAR W/1# & 1.5# 20/40 SAND, 26472 GAL YF116ST+ W/92900 #20/40 SAND @ 1–5 PPG. MTP 7708 PSIG. MTR 50.9 BPM. ATP 5324 PSIG. ATR 46 BPM. ISIP 3050 PSIG. RD SCHLUMBERGER. RUWL. SET 10K CFP @ 9285'. PERFORATED MPR FROM 9137'–38', 9143'–44', 9168'–69', 9184'–85', 9189'–90', 9225'–26', 9236'–37', 9244'–46', 9257'–58', 9262'–63' & 9270'–71' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING W/4058 GAL WF120 LINEAR PAD, 6222 GAL WF120 LINEAR W/1# & 1.5# 20/40 SAND, 36620 GAL YF116ST+ W/127000# 20/40 SAND @ 1–4 PPG. MTP 7513 PSIG. MTR 50.8 BPM. ATP 5422 PSIG. ATR 47.9 BPM. ISIP 3550 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 9094'. PERFORATED MPR FROM 8867'-68', 8927'-28', 8939'-40', 8946'-47', 8983'-84', 8988'-89', 9003'-04', 9029'-30', 9050'-51', 9068'-69', 9071'-72' & 9079'-80' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING W/4168 GAL WF120 LINEAR PAD, 6315 GAL WF120 LINEAR W/1# & 1.5# 20/40 SAND, 32386 GAL YF116ST+ W/106400# 20/40 SAND @ 1-4 PPG. MTP 8257 PSIG. MTR 50.2 BPM. ATP 6590 PSIG. ATR 45.5 BPM. ISIP 3800 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 8830'. PERFORATED MPR FROM 8626'-27', 8642'-43', 8652'-53', 8661'-62', 8666'-67', 8686'-87', 8727'-28', 8742'-43', 8777'-78', 8788'-89', 8809'-10' & 8815'-16' @ 3 SPF 7 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING W/4172 GAL WF120 LINEAR PAD, 6442 GAL WF120 LINEAR W/1# & 1.5# 20/40 SAND, 39878 GAL YF116ST+ W/139000# 20/40 SAND @ 1-5 PPG. MTP 8189 PSIG. MTR 53.2 BPM. ATP 5126 PSIG. ATR 47.2 BPM. ISIP 2370 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 8600'. PERFORATED MPR FROM 8399'-8400', 8405'-06', 8412'-13', 8419'-20', 8472'-73', 8479'-80', 8490'-91', 8506'-07', 8540'-41', 8567'-68', 8574'-75' & 8580'-81' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING W/4176 GAL WF120 LINEAR PAD, 6450 GAL WF120 LINEAR W/36400# @1# & 1.5# 20/40 SAND. LOST 2 PUMPS DURING 3# STAGE. OVERFLUSHED W/50 BW. SDFN.

02-28-2008 **Reported By** CARLSON

DailyCosts: Drilling	$0	**Completion**	$7,351	**Daily Total**	$7,351
Cum Costs: Drilling	$689,228	**Completion**	$267,583	**Well Total**	$956,811

MD	9,960	**TVD**	9,960	**Progress**	0	**Days**	12	**MW**	0.0	**Visc**	0.0

Formation : MESA VERDE **PBTD :** 9908.0 **Perf :** 7355-9715 **PKR Depth :** 0.0

Activity at Report Time: FRAC

Start	End	Hrs	Activity Description
06:00	06:00	24.0	SICP 1993 PSIG. RU SCHLUMBERGER, FRAC DOWN CASING WITH 4057 GAL WF120 LINEAR PAD, 6435 GAL WF120 LINEAR W/1# & 1.5# 20/40 SAND, 40922 GAL YF116ST+ W/130500# 20/40 SAND @ 1-4 PPG. MTP 7900 PSIG. MTR 51.2 BPM. ATP 47.2 PSIG. ATR 47.2 BPM. ISIP 3400 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 8374'. PERFORATED UPR FROM 8203'-05', 8210'-11', 8215'-16', 8253'-54', 8256'-57', 8261'-62', 8265'-66', 8327'-28', 8347'-48', 8357'-58' (MISFIRE) & 8358'-59' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING W/4191 GAL WF120 LINEAR PAD, 4247 GAL WF120 LINEAR W/1# & 1.5# 20/40 SAND, 27129 GAL YF116ST+ W/93300# 20/40 SAND @ 1-5 PPG. MTP 7173 PSIG. MTR 50.9 BPM. ATP 4669 PSIG. ATR 48.5 BPM. ISIP 2550 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 8050'. PERFORATED UPR FROM 7843'-44', 7852'-53', 7864'-65', 7870'-71', 7878'-79', 7897'-98', 7906'-07', 7914'-15', 7937'-38', 7979'-80', 8009'-10' & 8033'-34' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING W/4020 GAL WF120 LINEAR PAD, 6488 GAL WF120 LINEAR W/1# & 1.5# 20/40 SAND, 45789 GAL YF116ST+ W/160400# 20/40 SAND @ 1-5 PPG. MTP 6448 PSIG. MTR 52.8 BPM. ATP 3987 PSIG. ATR 48.3 BPM. ISIP 2100 PSIG. RD CHLUMBERGER.

RUWL. SET 10K CFP AT 7810'. PERFORATED UPR FROM 7648'-51", 7717'-18', 7723'-24', 7729'-30', 7737'-38', 7742'-43', 7769'-70', 7780'-81', 7785'-86' & 7794'-95' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING W/4034 GAL WF120 LINEAR PAD, 6419 GAL WF120 LINEAR W/1# & 1.5# 20/40 SAND, 34340 GAL YF116ST+ W/120500# 20/40 SAND @ 1-5 PPG. MTP 6406 PSIG. MTR 53.9 BPM. ATP 3901 PSIG. ATR 47.4 BPM. ISIP 2400 PSIG. RD SCHLUMBERGER

RUWL. SET 10K CFP AT 7616'. PERFORATED NORTH HORN FROM 7355'-56', 7390'-91', 7409'-10', 7420'-21', 7447'-48', 7457'-58', 7467'-68', 7474'-75', 7486'-87', 7581'-82', 7585'-86' & 7598'-99' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING W/4310 GAL WF120 LINEAR PAD, 6368 GAL WF120 LINEAR W/1# & 1.5# 20/40 SAND, 34247 GAL YF116ST+ W/120000# 20/40 SAND @ 1-5 PPG. MTP 6482 PSIG. MTR 50.9 BPM. ATP 3954 PSIG. ATR 46.3 BPM. ISIP 2100 PSIG. RD SCHLUMBERGER. SDFN.

02-29-2008 **Reported By** CARLSON

DailyCosts: Drilling	$0	**Completion**	$438,277	**Daily Total**	$438,277

Cum Costs: Drilling $689,228 **Completion** $705,861 **Well Total** $1,395,089

MD 9,960 **TVD** 9,960 **Progress** 0 **Days** 13 **MW** 0.0 **Visc** 0.0

Formation : MESAVERDE **PBTD :** 9908.0 **Perf :** 5817–9715 **PKR Depth :** 0.0

Activity at Report Time: PREP TO MIRUSU

Start	End	Hrs	Activity Description
06:00	06:00	24.0	SICP 1390 PSIG. RUWL. SET 10K CFP AT 7205'. PERFORATED Ba/NORTH HORN FROM 6933'–34', 6944'–45', 6971'–72', 6994'–95', 7000'–01', 7050'–51', 7056'–57', 7073'–74', 7165'–66', 7172'–73', 7176'–77' & 7181'–82' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING W/4167 GAL WF120 LINEAR PAD, 6467 GAL WF120 LINEAR W/1# & 1.5# 20/40 SAND, 30017 GAL YF116ST+ W/103800# 20/40 SAND @ 1–4 PPG. MTP 6719 PSIG. MTR 50.7 BPM. ATP 4693 PSIG. ATR 48 BPM. ISIP 1620 PSIG. RD SCHLUMBERGER. RUWL. SET 6K CFP AT 6885'. PERFORATED Ba FROM 6474'–75', 6489'–90', 6514'–15', 6548'–49', 6597'–98', 6651'–52', 6685'–86', 6732'–33', 6768'–69', 6803'–04', 6829'–30' & 6868'–69' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING W/4083 GAL WF120 LINEAR PAD, 8335 GAL WF120 LINEAR W/1# & 1.5# 20/40 SAND, 22147 GAL YF116ST+ W/ 69200 # 20/40 SAND @ 1–4 PPG. MTP 7041 PSIG. MTR 49.8 BPM. ATP 4536 PSIG. ATR 46.5 BPM. ISIP 1800 PSIG. RD SCHLUMBERGER. RUWL. SET 6K CFP AT 6140'. PERFORATED Ca FROM 6108'–12' & 6119'–27' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING W/2111 GAL WF120 LINEAR PAD, 4596 GAL WF120 LINEAR W/1# & 1.5# 20/40 SAND, 15602 GAL YF116ST+ W/52600# 20/40 SAND @ 1–4 PPG. MTP 3697 PSIG. MTR 36.5 BPM. ATP 2820 PSIG. ATR 35.6 BPM. ISIP 2200 PSIG. RD SCHLUMBERGER. RUWL. SET 6K CFP AT 5860'. PERFORATED Ca FROM 5817'–20' & 5833'–42' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING W/2069 GAL WF120 LINEAR PAD, 4133 GAL WF120 LINEAR W/1# & 1.5# 20/40 SAND, 14957 GAL YF116ST+ W/49400# 20/40 SAND @ 1–4 PPG. MTP 4897 PSIG. MTR 36.6 BPM. ATP 3191 PSIG. ATR 33.5 BPM. ISIP 2050 PSIG. RD SCHLUMBERGER. RUWL. SET 6K CBP AT 5731'. BLED OFF PRESSURE. RDWL. SDFN.

03–07–2008 **Reported By** BAUSCH

DailyCosts: Drilling $0 **Completion** $41,262 **Daily Total** $41,262

Cum Costs: Drilling $689,228 **Completion** $747,123 **Well Total** $1,436,351

MD 9,960 **TVD** 9,960 **Progress** 0 **Days** 14 **MW** 0.0 **Visc** 0.0

Formation : MESA VERDE **PBTD :** 9908.0 **Perf :** 5817–9715 **PKR Depth :** 0.0

Activity at Report Time: CLEAN OUT AFTER FRAC

Start	End	Hrs	Activity Description
07:00	17:00	10.0	MIRUSU. ND FRAC VALVE. NU BOP. RIH W/MILL & PUMP OFF BITG SUB TO CBP @ 5731'. SDFN.

03–11–2008 **Reported By** BAUSCH

DailyCosts: Drilling $0 **Completion** $11,930 **Daily Total** $11,930

Cum Costs: Drilling $689,228 **Completion** $759,053 **Well Total** $1,448,281

MD 9,960 **TVD** 9,960 **Progress** 0 **Days** 16 **MW** 0.0 **Visc** 0.0

Formation : MESA VERDE **PBTD :** 9788.0 **Perf :** 5817–9715 **PKR Depth :** 0.0

Activity at Report Time: FLOW TEST

Start	End	Hrs	Activity Description
07:00	06:00	23.0	SICP 600 PSIG. BLEW WELL DOWN. RIH TO TAG @ 8600'. RU POWER SWIVEL. CLEANED OUT & DRILLED OUT PLUGS @ 8600', 8830', 9094', 9285' & 9495'. RIH. CLEANED OUT TO PBTD @ 9788'. LANDED TBG AT 8319' KB. ND BOPE. NU TREE. PUMPED OFF BIT & SUB. RDMOSU.

FLOWED 15 HRS. 24/64 CHOKE. FTP– 700 PSIG, CP– 900 PSIG. 79 BFPH. RECOVERED 1103 BBLS, 14851 BLWTR.

TUBING DETAIL: LENGTH:

PUMP OFF SUB 1.00'
1 JT 2–3/8" 4.7# N–80 TBG 32.46'
XN NIPPLE 1.30'
256 JTS 2–3/8" 4.7# N–80 TBG 8267.33'
2–3/8" N–80 NIPPLE & COUPLING .60'
BELOW KB 16.00'
LANDED @ 8318.69' KB

03–12–2008 **Reported By** BAUSCH

DailyCosts: Drilling	$0	**Completion**	$3,055	**Daily Total**	$3,055
Cum Costs: Drilling	$689,228	**Completion**	$762,108	**Well Total**	$1,451,336

MD	9,960	**TVD**	9,960	**Progress**	0	**Days**	17	**MW**	0.0 **Visc** 0.0

Formation : MESA VERDE **PBTD :** 9788.0 **Perf :** 5817–9715 **PKR Depth :** 0.0

Activity at Report Time: FLOW TEST

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 24 HRS. 24/64 CHOKE. FTP– 600 PSIG, CP– 750 PSIG. 57 BFPH. RECOVERED 1364 BBLS, 13487 BLWTR.

03–13–2008 **Reported By** BAUSCH

DailyCosts: Drilling	$0	**Completion**	$4,594	**Daily Total**	$4,594
Cum Costs: Drilling	$689,228	**Completion**	$766,702	**Well Total**	$1,455,930

MD	9,960	**TVD**	9,960	**Progress**	0	**Days**	18	**MW**	0.0 **Visc** 0.0

Formation : MESA VERDE **PBTD :** 9788.0 **Perf :** 5817–9715 **PKR Depth :** 0.0

Activity at Report Time: FLOW TEST

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 24 HRS. 24/64" CHOKE. FTP 600 PSIG. CP 950 PSIG. 49 BFPH. RECOVERED 1169 BLW. 12318 BLWTR.

03–14–2008 **Reported By** BAUSCH

DailyCosts: Drilling	$0	**Completion**	$2,415	**Daily Total**	$2,415
Cum Costs: Drilling	$689,228	**Completion**	$769,117	**Well Total**	$1,458,345

MD	9,960	**TVD**	9,960	**Progress**	0	**Days**	19	**MW**	0.0 **Visc** 0.0

Formation : MESA VERDE **PBTD :** 9788.0 **Perf :** 5817–9715 **PKR Depth :** 0.0

Activity at Report Time: FLOW TEST

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 24 HRS. 24/64" CHOKE. FTP 650 PSIG. CP 1700 PSIG. 42 BFPH. RECOVERED 1008 BLW. 11310 BLWTR.

03–15–2008 **Reported By** BAUSCH

DailyCosts: Drilling	$0	**Completion**	$2,415	**Daily Total**	$2,415
Cum Costs: Drilling	$689,228	**Completion**	$771,532	**Well Total**	$1,460,760

MD	9,960	**TVD**	9,960	**Progress**	0	**Days**	20	**MW**	0.0 **Visc** 0.0

Formation : MESA VERDE **PBTD :** 9788.0 **Perf :** 5817–9715 **PKR Depth :** 0.0

Activity at Report Time: FLOW TEST

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 24 HRS. 24/64" CHOKE. FTP 650 PSIG. CP 1950 PSIG. 40 BFPH. RECOVERED 972 BLW. 10338 BLWTR.

03-16-2008 **Reported By** BAUSCH

DailyCosts: Drilling	$0	**Completion**	$2,415	**Daily Total**	$2,415
Cum Costs: Drilling	$689,228	**Completion**	$773,947	**Well Total**	$1,463,175

MD	9,960	**TVD**	9,960	**Progress**	0	**Days**	21	**MW**	0.0	**Visc**	0.0

Formation : MESA VERDE **PBTD :** 9788.0 **Perf :** 5817-9715 **PKR Depth :** 0.0

Activity at Report Time: FLOW TEST

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 24 HRS. 24/64" CHOKE. FTP 650 PSIG. CP 1950 PSIG. 35 BFPH. RECOVERED 850 BLW. 9450 BLWTR.

03-17-2008 **Reported By** BAUSCH

DailyCosts: Drilling	$0	**Completion**	$2,415	**Daily Total**	$2,415
Cum Costs: Drilling	$689,228	**Completion**	$776,362	**Well Total**	$1,465,590

MD	9,960	**TVD**	9,960	**Progress**	0	**Days**	22	**MW**	0.0	**Visc**	0.0

Formation : MESA VERDE **PBTD :** 9788.0 **Perf :** 5817-9715 **PKR Depth :** 0.0

Activity at Report Time: FLOW TEST

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 24 HRS. 24/64" CHOKE. FTP 700 PSIG. CP 1900 PSIG. 34 BFPH. RECOVERED 816 BLW. 8634 BLWTR.

03-18-2008 **Reported By** BAUSCH

DailyCosts: Drilling	$0	**Completion**	$2,415	**Daily Total**	$2,415
Cum Costs: Drilling	$689,228	**Completion**	$778,777	**Well Total**	$1,468,005

MD	9,960	**TVD**	9,960	**Progress**	0	**Days**	23	**MW**	0.0	**Visc**	0.0

Formation : MESA VERDE **PBTD :** 9788.0 **Perf :** 5817-9715 **PKR Depth :** 0.0

Activity at Report Time: FLOW TEST

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 24 HRS. 24/64" CHOKE. FTP 700 PSIG. CP 1800 PSIG. 29 BFPH. RECOVERED 706 BLW. 7928 BLWTR.

03-19-2008 **Reported By** BAUSCH

DailyCosts: Drilling	$0	**Completion**	$2,915	**Daily Total**	$2,915
Cum Costs: Drilling	$689,228	**Completion**	$781,692	**Well Total**	$1,470,920

MD	9,960	**TVD**	9,960	**Progress**	0	**Days**	24	**MW**	0.0	**Visc**	0.0

Formation : MESA VERDE **PBTD :** 9788.0 **Perf :** 5817-9715 **PKR Depth :** 0.0

Activity at Report Time: WO FACILITIES

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 24 HRS. 24/64" CHOKE. FTP 800 PSIG. CP 1950 PSIG. 14 BFPH. RECOVERED 332 BLW. 7596 BLWTR. WAIT ON FACILITIES.

FINAL COMPLETION DATE: 03/18/08

03-25-2008 **Reported By** DUANE COOK

DailyCosts: Drilling	$0	**Completion**	$0	**Daily Total**	$0
Cum Costs: Drilling	$689,228	**Completion**	$781,692	**Well Total**	$1,470,920

MD	9,960	TVD	9,960	Progress	0	Days	25	MW	0.0	Visc	0.0

Formation : MESA VERDE **PBTD :** 9788.0 **Perf :** 5817–9715 **PKR Depth :** 0.0

Activity at Report Time: INITIAL PRODUCTION–FIRST GAS SALES

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FIRST GAS SALES: OPENING PRESSURE: TP 1400 & CP 2400 PSI. TURNED WELL TO QUESTAR SALES AT 9:30 AM, 03/24/08. FLOWED 350 MCFD RATE ON 10/64" POS CHOKE. STATIC 335.

03–26–2008 **Reported By** MICHAEL WHITE

DailyCosts: Drilling	$0	Completion	$0	Daily Total	$0
Cum Costs: Drilling	$689,228	Completion	$781,692	Well Total	$1,470,920

MD	9,960	TVD	9,960	Progress	0	Days	26	MW	0.0	Visc	0.0

Formation : MESA VERDE **PBTD :** 9788.0 **Perf :** 5817–9715 **PKR Depth :** 0.0

Activity at Report Time: ON SALES

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 204 MCF, 50 BC & 80 BW IN 24 HRS ON 10/64" CHOKE, TP 1100 PSIG, CP 2400 PSIG.

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

5. Lease Serial No.
UTU76042

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
HOSS 67-29

2. Name of Operator
EOG RESOURCES, INC.
Contact: MARY A. MAESTAS
E-Mail: mary_maestas@eogresources.com

9. API Well No.
43-047-38328

3a. Address
600 17TH ST. SUITE 1000N
DENVER, CO 80202

3b. Phone No. (include area code)
Ph: 303-824-5526

10. Field and Pool, or Exploratory
NATURAL BUTTES/WASATCH/MV

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 29 T8S R23E NESW 1980FSL 1980FWL
40.09191 N Lat, 109.35333 W Lon

11. County or Parish, and State
UINTAH COUNTY, UT

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☒ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Production Start-up
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Correction from an earlier submission dated 3/26/2008. IP date has been corrected to reflect accurate first sales of condensate date.

The referenced well was turned to sales on 3/22/2008. Please see the attached operations summary report for drilling and completion operations performed on the subject well.

RECEIVED
APR 04 2008
DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #59382 verified by the BLM Well Information System
For EOG RESOURCES, INC., sent to the Vernal

Name *(Printed/Typed)* MARY A. MAESTAS — Title REGULATORY ASSISTANT

Signature (Electronic Submission) — Date 04/02/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____ Title _____ Date _____

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Office _____

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

WELL CHRONOLOGY REPORT

Report Generated On: 03-26-2008

Well Name	HOSS 067-29	**Well Type**	DEVG	**Division**	DENVER
Field	PONDEROSA	**API #**	43-047-38328	**Well Class**	1SA
County, State	UINTAH, UT	**Spud Date**	12-20-2007	**Class Date**	03-24-2008
Tax Credit	N	**TVD / MD**	9,960/ 9,960	**Property #**	059894
Water Depth	0	**Last CSG**	0.0	**Shoe TVD / MD**	0/ 0
KB / GL Elev	4,934/ 4,918				
Location	Section 29, T8S, R23E, NESW, 1980 FSL & 1980 FWL				

Event No	1.0	**Description**	DRILL & COMPLETE		
Operator	EOG RESOURCES, INC	**WI %**	66.67	**NRI %**	44.67

AFE No 304267 **AFE Total** 2,264,800 **DHC / CWC** 1,078,900/ 1,185,900

Rig Contr TRUE **Rig Name** TRUE #31 **Start Date** 01-03-2007 **Release Date** 12-26-2007

01-03-2007 **Reported By** SHARON CAUDILL

DailyCosts: Drilling	$0	**Completion**	$0	**Daily Total**	$0
Cum Costs: Drilling	$0	**Completion**	$0	**Well Total**	$0

MD	0	**TVD**	0	**Progress**	0	**Days**	0	**MW**	0.0	**Visc**	0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: LOCATION DATA

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION DATA: 1980' FSL & 1980' FEL (NE/SW) SECTION 29, T8S, R23E UINTAH COUNTY, UTAH LAT 40.091911, LONG 109.353328 (NAD 27) TRUE #31 OBJECTIVE: 9960' TD, MESAVERDE DW/GAS PONDEROSA PROSPECT DD&A: CHAPITA DEEP WELLS PONDEROSA FIELD LEASE: UTU-76042 ELEVATION: 4919.1' NAT GL, 4917.7' PREP GL (DUE TO ROUNDING THE PREP GL WILL BE 4918'), 4934' KB (16') EOG WI 100%, NRI 67%

10-26-2007 **Reported By** TERRY CSERE

DailyCosts: Drilling	$38,000	**Completion**	$0	**Daily Total**	$38,000

Cum Costs: Drilling $38,000 **Completion** $0 **Well Total** $38,000

MD 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	CONSTRUCTION OF LOCATION WILL START TODAY.

10–29–2007 **Reported By** TERRY CSERE

DailyCosts: Drilling $38,000 **Completion** $0 **Daily Total** $38,000

Cum Costs: Drilling $38,000 **Completion** $0 **Well Total** $38,000

MD 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION 15% COMPLETE.

10–30–2007 **Reported By** TERRY CSERE

DailyCosts: Drilling $0 **Completion** $0 **Daily Total** $0

Cum Costs: Drilling $38,000 **Completion** $0 **Well Total** $38,000

MD 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION 25% COMPLETE.

10–31–2007 **Reported By** TERRY CSERE

DailyCosts: Drilling $0 **Completion** $0 **Daily Total** $0

Cum Costs: Drilling $38,000 **Completion** $0 **Well Total** $38,000

MD 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION 30% COMPLETE.

11–01–2007 **Reported By** TERRY CSERE

DailyCosts: Drilling $0 **Completion** $0 **Daily Total** $0

Cum Costs: Drilling $38,000 **Completion** $0 **Well Total** $38,000

MD 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION 40% COMPLETE.

11–02–2007 **Reported By** TERRY CSERE

DailyCosts: Drilling $0 **Completion** $0 **Daily Total** $0

Cum Costs: Drilling $38,000 **Completion** $0 **Well Total** $38,000

MD 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION 50% COMPLETE.

11-05-2007 **Reported By** TERRY CSERE

DailyCosts: Drilling $0 **Completion** $0 **Daily Total** $0

Cum Costs: Drilling $38,000 **Completion** $0 **Well Total** $38,000

MD 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION 60% COMPLETE.

11-06-2007 **Reported By** TERRY CSERE

DailyCosts: Drilling $0 **Completion** $0 **Daily Total** $0

Cum Costs: Drilling $38,000 **Completion** $0 **Well Total** $38,000

MD 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION IS 70% COMPLETE.

11-07-2007 **Reported By** TERRY CSERE

DailyCosts: Drilling $0 **Completion** $0 **Daily Total** $0

Cum Costs: Drilling $38,000 **Completion** $0 **Well Total** $38,000

MD 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION 80% COMPLETE.

11-08-2007 **Reported By** TERRY CSERE

DailyCosts: Drilling $0 **Completion** $0 **Daily Total** $0

Cum Costs: Drilling $38,000 **Completion** $0 **Well Total** $38,000

MD 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION COMPLETE. PUSHING OUT PIT.

11-09-2007 **Reported By** TERRY CSERE

DailyCosts: Drilling $0 **Completion** $0 **Daily Total** $0

Cum Costs: Drilling $38,000 **Completion** $0 **Well Total** $38,000

MD 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	PUSHING OUT PIT.

11-12-2007 **Reported By** JERRY BARNES

DailyCosts: Drilling $0 **Completion** $0 **Daily Total** $0

Cum Costs: Drilling $38,000 **Completion** $0 **Well Total** $38,000

MD 80 **TVD** 80 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: BUILD LOCATION/WO AIR RIG

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LINE TUESDAY.
			ROCKY MOUNTAIN DRILLING SPUD A 20" HOLE ON 11/10/2007 @ 2:30 PM. SET 80' OF 14" CONDUCTOR. CEMENT TO SURFACE WITH READY MIX. JERRY BARNES NOTIFIED CAROL DANIELS W/UDOGM OF THE SPUD 11/10/2007 @ 1.30 PM & MICHAEL LEE W/BLM OF THE SPUD 11/10/07 @ 1:30 PM.

11-13-2007 **Reported By** JERRY BARNES

DailyCosts: Drilling $0 **Completion** $0 **Daily Total** $0

Cum Costs: Drilling $38,000 **Completion** $0 **Well Total** $38,000

MD 80 **TVD** 80 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: BUILD LOCATIONS

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LINE TODAY

11-14-2007 **Reported By** TERRY CSERE

DailyCosts: Drilling $0 **Completion** $0 **Daily Total** $0

Cum Costs: Drilling $38,000 **Completion** $0 **Well Total** $38,000

MD 80 **TVD** 80 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION COMPLETE.

12-05-2007 **Reported By** JERRY BARNES

DailyCosts: Drilling $224,048 **Completion** $0 **Daily Total** $224,048

Cum Costs: Drilling $262,048 **Completion** $0 **Well Total** $262,048

MD 2,668 **TVD** 2,668 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: WORT

Start	End	Hrs	Activity Description

06:00	06:00	24.0	MIRU PRO PETRO AIR RIG #9 ON 11/21/2007. DRILLED 12–1/4" HOLE TO 2700' GL. ENCOUNTERED WATER @ 2250'. RAN 62 JTS (2652.45') OF 9–5/8", 36.0#/FT, J–55, ST&C CASING WITH TOP–CO GUIDE SHOE AND FLOAT COLLAR. 8 CENTRALIZERS SPACED MIDDLE OF SHOE JOINT AND EVERY COLLAR TILL GONE. LANDED @ 2668' KB. RAN 200' OF 1" PIPE DOWN BACK SIDE. RDMO AIR RIG. MIRU PRO PETRO CEMENTING. HELD SAFETY MEETING. PRESSURE TESTED LINES AND CEMENT VALVE TO 1000 PSIG. PUMPED 195 BBLS FRESH WATER & 20 BBLS GELLED WATER FLUSH AHEAD OF CEMENT. MIXED & PUMPED 260 SX (176.8 BBLS) OF PREMIUM LEAD CEMENT W/16% GEL, 10 #/ SX GILSONITE, 3 #/ SX GR–3, 3% SALT & ¼ #/ SX FLOCELE. MIXED LEAD CEMENT @ 11.0 PPG W/YIELD OF 3.82 CF/SX. TAILED IN W/200 SX (41 BBLS) OF PREMIUM CEMENT W/2% CACL2 & ¼ #/ SX FLOCELE. MIXED TAIL CEMENT TO 15.8 W/YIELD OF 1.15 CF/SX. DISPLACED CEMENT W/200 BBLS FRESH WATER. BUMPED PLUG W/800# @ 4:27 PM, 11/25/2007. CHECKED FLOAT, FLOAT HELD. SHUT–IN CASING VALVE. NO RETURNS. TOP JOB # 1: PUMP DOWN 200' OF 1" PIPE. MIXED & PUMPED 100 SX (20.4 BBLS) OF PREMIUM CEMENT W/4% CACL2 & ¼ #/ SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 2 HRS. TOP JOB # 2: MIXED & PUMPED 125 SX (25.6 BBLS) OF PREMIUM CEMENT W/2% CACL2 & ¼ #/ SX FOLCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 2 HRS 20 MINUTES. TOP JOB # 3: MIXED & PUMPED 200 SX (41 BBLS) OF PREMIUM CEMENT W/2% CACL2 & ¼ #/ SX FOLCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 2 HRS 30 MINUTES. TOP JOB # 4: MIXED & PUMPED 100 SX (20.4 BBLS) OF PREMIUM CEMENT W/2% CACL2 & ¼ #/ SX FOLCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 1 HRS 45 MINUTES. TOP JOB # 5: MIXED & PUMPED 125 SX (25.6 BBLS) OF PREMIUM CEMENT W/2% CACL2 & ¼ #/ SX FOLCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 1 HR. TOP JOB # 6: MIXED & PUMPED 50 SX (10.2 BBLS) OF PREMIUM CEMENT W/2% CACL2 & ¼ #/ SX FOLCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. HOLE FILLED & STOOD FULL. RDMO PRO PETRO CEMENTERS. PREPARED LOCATION FOR ROTARY RIG. WORT. WILL DROP FROM REPORT UNTIL FURTHER ACTIVITY. MIRU GLENNS WIRELINE SERVICE. RAN IN HOLE W/STRAIGHT HOLE SURVEY. TAG CEMENT @ 2546' GL. PICKED UP TO 2526' & TOOK SURVEY. BULLS EYE. DALL COOK NOTIFIED JAMIE SPARGER W/BLM OF THE SURFACE CASING & CEMENT JOB ON 11/20/2007 @ 5:30 PM.

12–18–2007 **Reported By** JIM LOUDERMILK

DailyCosts: Drilling	$34,200	**Completion**	$0	**Daily Total**	$34,200
Cum Costs: Drilling	$296,248	**Completion**	$0	**Well Total**	$296,248

MD	2,668	**TVD**	2,668	**Progress**	0	**Days**	0	**MW**	0.0	**Visc**	0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: MIRURT

Start	End	Hrs	Activity Description
06:00	08:30	2.5	RDRT / PREPARE FOR TRUCKS.

08:30	06:00	21.5	RDMO / MIRU. WESTROC TRUCKING TO MOVE 1 MILES FROM THE HOSS 45–29 TO THE HOSS 67–29. UTILIZING 5 BED TRUCKS, 2 HAUL TRUCKS 1 FORK LIFT & 1 CRANE. MOVE IS 10% COMPLETE. CREWS: FULL / NO ACCIDENTS REPORTED / HSM: RDMO. TRANSFER 8 JTS, (357.89' NET), OF 4.5", 11.6#, HCP110, LTC R3 CASING, 1 LANDING JT, (16.0' NET), OF 4.5", 11.6#, HCP110 LTC CASING AND 3900 GAL. #2 DIESEL FROM THE HOSS 45–29 TO THE HOSS 67–29. TRANSFER APPROXIMATELY 300 BBL'S OF 10.7 PPG MUD TO THE HOSS 67–29.

12–19–2007 **Reported By** JIM LOUDERMILK

DailyCosts: Drilling	$42,832	**Completion**	$0	**Daily Total**	$42,832
Cum Costs: Drilling	$339,080	**Completion**	$0	**Well Total**	$339,080

MD	2,668	**TVD**	2,668	**Progress**	0	**Days**	0	**MW**	0.0	**Visc**	0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: RURT.

Start	End	Hrs	Activity Description
06:00	13:00	7.0	RDMO / MIRU. UTILIZING 5 BED TRUCKS, 2 HAUL TRUCKS 1 FORK LIFT & 1 CRANE. TRUCKS RELEASED ON 12/18/2007 @ 13:00 HRS.
13:00	06:00	17.0	RURT / RAISED DERRICK @ 15:00 HRS. FIRED BOILER @ 20:00 HRS & SHUT DOWN AS OF 22:30 HRS ON 12/18/2007 DUE TO RUPTURED FLUES. DRAIN WATER & STEAM CIRCULATING SYSTEMS & CONTINUE TO RIG UP. BOP TESTER SCHEDULED FOR 06:00 ON 12/19/2007 HAS BEEN POSTPONED. TRUE ANTICIPATES A REPLACEMNT BOILER TO BE ON LOCATION ON 12/19/2007 @ 10:00. ESTIMATE BOP TEST ON 12/19/2007 @ 14:00 HRS. CREWS: FULL / NO ACCIDENTS REPORTED / HSM: MIRU.

12–20–2007 **Reported By** JIM LOUDERMILK

DailyCosts: Drilling	$24,237	**Completion**	$711	**Daily Total**	$24,948
Cum Costs: Drilling	$363,317	**Completion**	$711	**Well Total**	$364,028

MD	2,668	**TVD**	2,668	**Progress**	0	**Days**	0	**MW**	0.0	**Visc**	0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: PRESPUD WALK THROUGH.

Start	End	Hrs	Activity Description
06:00	14:00	8.0	RURT / REPLACEMENT BOILER ON LOCATION @ 10:30 HRS, WIRED & FIRED @ 13:00 HRS.
14:00	16:00	2.0	NU BOP. DAYWORK BEGINS ON 12/19/2007 @ 14:00 HRS.
16:00	22:00	6.0	TESTED PIPE RAMS, BLIND RAMS, HCR, CHOKE VALVE, CHOKE LINE & MANIFOLD AND KILL LINE VALVES TO 5000 PSI FOR 10 MINUTES. TESTED UPPER & LOWER KELLY COCKS, FLOOR VALVE & INSIDE BOP TO 5000 PSI FOR 10 MINUTES. TESTED ANNULAR PREVENTER TO 3000 PSI FOR 10 MINUTES. PERFORMED ACCUMULATOR FUNCTION TEST. INITIAL ACCUMULATOR PRESSURE WAS 2800 PSI & 1350 PSI AFTER FUNCTION TEST. TESTED CASING TO 1500 PSI FOR 30 MINUTES. WINTERIZED CHOKE MANIFOLD & INSALLED WEAR BUSHING. NOTIFIED JAMIE SPARGER, (VIA VOICE MAIL), WITH THE BLM'S VERNAL FIELD OFFICE ON 12/18/2007 @ 08:00 OF BOP TEST TO TAKE PLACE ON 12/19/2007 @ 06:00+/–.NO BLM REP ON LOCATION TO WITNESS TEST.
22:00	03:00	5.0	HSM WITH WEATHERFORD TRS & PU BHA & DP. RAN HC 506Z, (SN:) AND HUNTING ESX II .16 MUD MTR.
03:00	04:00	1.0	SLIP & CUT DRILL LINE.
04:00	05:00	1.0	INSTALL ROT HEAD & KELLY DRIVE BUSHING.
05:00	06:00	1.0	PRESPUD WALK THROUGH. CREWS: FULL / NO ACCIDENTS REPORTED / HSM: COLD WEATHER & PU BHA. MUD LOGIC ON LOCATION @ 18:30 HRS ON 12/19/2007. FUEL: 6950 ON HAND.

12–21–2007 **Reported By** JIM LOUDERMILK

DailyCosts: Drilling	$96,877	**Completion**	$0	**Daily Total**	$96,877
Cum Costs: Drilling	$460,194	**Completion**	$711	**Well Total**	$460,905

MD	5,000	**TVD**	5,000	**Progress**	2,332	**Days**	1	**MW**	8.7	**Visc**	28.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: DRILLING @ 5000'

Start	End	Hrs	Activity Description
06:00	09:00	3.0	THAW MUD LINE.
09:00	10:00	1.0	DRILL CEMENT/FLOAT EQUIP. TAG CEMENT @ 2550', FLOAT @ 2622', SHOE @ 2668'. DRILL TO 2670' & PERFORM 10.5 PPG EMW TEST, (290 PSI SPP). FUNCTIONED PIPE RAMS.
10:00	12:00	2.0	DRILLED 2670'–2955', (10–15 WOB / 60 RPM–68MTR / 420 GPM), 143.5 FPH.
12:00	12:30	0.5	SERVICE RIG / FUNCTION PIPE RAMS / CHECK COM.
12:30	20:30	8.0	DRILLED 2955'–3930', (10–15 WOB / 60 RPM–68MTR / 420 GPM), 121.9 FPH.
20:30	22:00	1.5	WORK ON PUMPS.
22:00	06:00	8.0	DRILLED 3930'–5000', (10–15 WOB / 60 RPM–68MTR / 420 GPM), 133.8 FPH. VIS 28 WT 8.9. MTR #1: 18 HRS. CREWS: FULL / NO ACCIDENTS REPORTED / HSM: JOB FOCUS & WINTER CONDITIONS. BOTH CREWS HELD BOP DRILLS. FUEL 5290 GAL USED 1660 GAL. BOILER: 24 HRS.
06:00		18.0	SPUD 7 7/8" HOLE ON 12/20/2007 @ 10:00 HRS.

12–22–2007 **Reported By** JIM LOUDERMILK

DailyCosts: Drilling	$36,126	**Completion**	$616	**Daily Total**	$36,742
Cum Costs: Drilling	$496,321	**Completion**	$1,327	**Well Total**	$497,648

MD	6,930	**TVD**	6,930	**Progress**	1,930	**Days**	2	**MW**	9.0	**Visc**	28.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	08:00	2.0	DRILLED 5000'–5200', (10–15K WOB / 60 RPM–68MTR / 420 GPM), 100 FPH.
08:00	08:30	0.5	WLS / 1.5 DEGREES @ 5118'.
08:30	14:30	6.0	DRILLED 5200'–5825', (15–18K WOB / 60 RPM–68MTR / 420 GPM), 104.2 FPH.
14:30	15:00	0.5	SERVICE RIG / FUNCTION PIPE RAMS / CHECK COM.
15:00	06:00	15.0	DRILLED 5825'–6930', (15–18K WOB / 60 RPM–68MTR / 420 GPM), 73.7 FPH. VIS 32 WT 9.1. MTR #1: 23 / 41 HRS. CREWS: FULL / NO ACCIDENTS REPORTED / HSM: FALL PROTECTION & PPE.. FUEL 3113 GAL USED 2177 GAL. BOILER: 24 HRS. WASATCH @ 5230', CHAPITA WELLS @ 5830', BUCK CANYON @ 6530'. BG 40–80U CONN 150–250U MAX 1073U @ 5003'.

12–23–2007 **Reported By** JIM LOUDERMILK

DailyCosts: Drilling	$48,190	**Completion**	$0	**Daily Total**	$48,190
Cum Costs: Drilling	$544,511	**Completion**	$1,327	**Well Total**	$545,838

MD	8,115	**TVD**	8,115	**Progress**	1,185	**Days**	3	**MW**	9.2	**Visc**	30.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: DRILLING @ 8115'

Start	End	Hrs	Activity Description
06:00	14:00	8.0	DRILLED 6930'–7330', (15–18K WOB / 60 RPM–68MTR / 420 GPM), 50 FPH.
14:00	14:30	0.5	SERVICE RIG / FUNCTION PIPE RAMS / CHECK COM.
14:30	06:00	15.5	DRILLED 7330'–8115', (15–18K WOB / 60 RPM–68MTR / 420 GPM), 50.6 FPH. VIS 34 WT 9.5.

MTR #1: 23.5 / 64.5 HRS.
CREWS: FULL / NO ACCIDENTS REPORTED / HSM: HAND PLACEMENT & PINCH POINTS.
FUEL 5735 GAL. USED 1860 GAL. REC'D 4500 GAL. BOILER: 24 HRS.
KMV PRICE RIVER @ 7640'. BG 150–450U CONN 800–1100U MAX 3129U @ 7471'.

12–24–2007 **Reported By** JIM LOUDERMILK

DailyCosts: Drilling	$30,728	**Completion**	$0	**Daily Total**	$30,728
Cum Costs: Drilling	$575,239	**Completion**	$1,327	**Well Total**	$576,566

MD	8,978	**TVD**	8,978	**Progress**	863	**Days**	4	**MW**	9.7	**Visc**	35.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: CIRC & PUMP PILL

Start	End	Hrs	Activity Description
06:00	14:00	8.0	DRILLED 8115'–8580', (15–18K WOB / 60 RPM–68MTR / 420 GPM), 58.1 FPH.
14:00	14:30	0.5	SERVICE RIG / FUNCTION PIPE RAMS / CHECK COM.
14:30	05:00	14.5	DRILLED 8580'–8978', (15–18K WOB / 60 RPM–68MTR / 420 GPM), 27.5 FPH.
05:00	06:00	1.0	CBU / MIX & PUMP WEIGHTED PILL. VIS 38 WT 10.2.
			CREWS: FULL / NO ACCIDENTS REPORTED / HSM: MIXING MUD & CHEMICALS–PPE.
			FUEL 3390 GAL. USED 2345 GAL. BOILER: 24 HRS.
			KMV PRICE RIVER MIDDLE @ 8420'. BG 250–600U CONN 800–1700U MAX 3112U @ 8948'.

12–25–2007 **Reported By** JIM LOUDERMILK

DailyCosts: Drilling	$60,203	**Completion**	$0	**Daily Total**	$60,203
Cum Costs: Drilling	$635,443	**Completion**	$1,327	**Well Total**	$636,770

MD	9,565	**TVD**	9,565	**Progress**	587	**Days**	5	**MW**	10.0	**Visc**	38.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: DRILLING @ 9565'

Start	End	Hrs	Activity Description
06:00	10:30	4.5	DROP SURVEY & TRIP OUT / NO TROUBLES, CORRECT JOINT COUNT, FUNCTION BLIND RAMS.
10:30	11:00	0.5	CHANGE OUT BIT & MOTORS, LD 3 POINT REAMERS.
11:00	14:00	3.0	TRIP IN / NO TROUBLES.
14:00	15:00	1.0	WASH THROUGH BRIDGE 8800' / REAM TO BOTTOM.
15:00	06:00	15.0	DRILLED 8978'–9565', (12–18K WOB / 60 RPM–68MTR / 420 GPM), 39.1FPH. VIS 38 WT 10.4.
			MTR #2: 15 / 102 ROT HRS.
			CREWS: FULL / NO ACCIDENTS REPORTED / HSM: TONG OPERATION & MAINTAINENCE.
			FUEL 6028 GAL. USED 2131 GAL. REC'D 4500 GAL. BOILER: 24 HRS.
			KMV PRICE RIVER LOWER @ 9300'. BG 4500–4900U CONN 49000–5300U MAX 6807U @ 9076'.

12–26–2007 **Reported By** JIM LOUDERMILK/PAT CLARK

DailyCosts: Drilling	$31,125	**Completion**	$0	**Daily Total**	$31,125
Cum Costs: Drilling	$666,568	**Completion**	$1,327	**Well Total**	$667,895

MD	9,960	**TVD**	9,960	**Progress**	395	**Days**	6	**MW**	10.3	**Visc**	38.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: LD DP

Start	End	Hrs	Activity Description
06:00	19:30	13.5	DRILLED 9565'–9960', TD, (18–22K WOB / 60 RPM–68MTR / 420 GPM), 30.4 FPH. TD REACHED AT 19:30 HRS, 12/25/07.

19:30	21:00	1.5	SHORT TRIP, (9960'-8900').
21:00	22:30	1.5	CBU / PUMPED 200 BBL'S OF 13.5 PPG MUD, (11.4 EMW). HSM WITH WEATHERFORD TRS.
22:30	06:00	7.5	LDDP, BREAK KELLY & RETRIEVE WEAR BUSHING. VIS 38 WT 10.5.
			MTR #2: 13.5-28.5 / 115.5 ROT HRS.
			CREWS: FULL / NO ACCIDENTS REPORTED / HSM: LDDP, PINCH POINTS & COMMUNICATION.
			FUEL 3822 GAL. USED 2206 GAL. BOILER: 24 HRS.
			MUD LOGGER RELEASED ON 12/25/2007 @ 22:00 HRS. NO REPORT, SEGO @ 9300'. TRIP 6405U.
			NOTIFIED JAMIE SPARGER, (VIA VOICE MAIL), WITH THE BLM'S VERNAL FIELD OFFICE ON 12/25/2007 @ 09:00 OF CASING RUN & CEMENT JOB TO TAKE PLACE ON 12/26/2007 @ 06:00+/-.

12-27-2007 **Reported By** PAT CLARK

DailyCosts: Drilling	$22,659	**Completion**	$194,889	**Daily Total**	$217,548
Cum Costs: Drilling	$689,228	**Completion**	$196,216	**Well Total**	$885,444

MD	9,960	**TVD**	9,960	**Progress**	0	**Days**	7	**MW**	10.3	**Visc**	41.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: RDRT/WO COMPLETION

Start	End	Hrs	Activity Description
06:00	07:00	1.0	FINISH LD/BHA.
07:00	13:30	6.5	R/U CASERS. RUN 4 1/2", 11.6#, HCP-110, LTC CASING AS FOLLOWS: FLOAT SHOE, 1 JT CSG, FLOAT COLLAR, 62 JTS CSG, MARKER JOINT @ 7243', 55 JTS CSG, MJ @ 4830', 112 JTS CSG (230 TOTAL). P/U JT # 231, TAG BOTTOM @ 9960'. L/D JT # 231, P/U LANDING JT, CASING HANGER AND PUP, LAND IN CASING HEAD W/ 80,000#. R/D WEATHERFORD TRS.
13:30	15:30	2.0	CIRCULATE FOR CEMENT. R/U SCHLUMBERGER.
15:30	18:30	3.0	PRESSURE TEST LINES TO 5000 PSI, CEMENT WELL AS FOLLOWS: PUMP 20 BBLS MUD FLUSH, 20 BBLS FRESH WATER, MIX AND PUMP 610 SX(324 BBLS, 1818 CU/FT) LEAD G CEMENT @ 11.5 PPG, 2.98 YLD, H2O 18.227 GAL/SK + 10%D020+.2%D046+.2%D167+.5%D065+.125 LB/SK D130. MIX AND PUMP 1545 SX(355 BBLS, 1993 CU/FT) TAIL 50/50 POZ G CEMENT @ 14.1 PPG, 1.29 YLD, H2O 5.963 GAL/SK +2%D020+.1%D046+.2% D065+.2%D167+.1%D013. WASH UP TO PIT, DROP TOP PLUG AND DISPLACE W/154 BBLS H2O W/2 GALS/1000 L064. FULL RETURNS, NO CEMENT TO SURFACE. MAX PRESSURE 2467 PSI, BUMP PLUG TO 3383 PSI. BLED BACK 2 BBLS, FLOAT HELD. R/D SCHLUMBERGER.
18:30	20:00	1.5	PACK OFF HANGER AND TEST.
20:00	22:00	2.0	NDBOPE, CLEAN MUD TANKS.
22:00	06:00	8.0	RDRT - PREPARE TO MOVE TO HOSS 46-29.
			RIG MOVE 1 MILE
			WESTROC TRUCKING AND M & H TO BE ON LOCATION @ 06:00 FOR RIG MOVE.
			TRANSFER 6 JTS 4 1/2", 11.6#, HCP-110, LTC CSG (261.72') TO HOSS 46-29.
			TRANSFER 1 4 1/2", 11.6#, HCP-110, LTC MARKER JT (21.83') TO HOSS 46-29.
			TRANSFER 1800 GALS DIESEL FUEL @ $3.42/GAL TO HOSS 46-29.
			FULL CREWS, NO ACCIDENTS.
			SAFETY MEETINGS - LDDP, RUN CSG, CEM, R/D.
06:00	06:00	24.0	RIG RELEASED @ 22:00 ON 12-26-07.
			CASING POINT COST: $683,453

12-31-2007 **Reported By** SEARLE

DailyCosts: Drilling	$0	**Completion**	$45,658	**Daily Total**	$45,658
Cum Costs: Drilling	$689,228	**Completion**	$241,874	**Well Total**	$931,102

MD	9,960	**TVD**	9,960	**Progress**	0	**Days**	8	**MW**	0.0	**Visc**	0.0

Formation : **PBTD :** 9908.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: PREP FOR FRACS

Start	End	Hrs	Activity Description
06:00	06:00	24.0	MIRU SCHLUMBERGER. LOG WITH RST/CBL/CCL/VDL/GR FROM PBTD TO 70'. EST CEMENT TOP @ 300'. RD SCHLUMBERGER.

02–17–2008 **Reported By** MCCURDY

DailyCosts: Drilling	$0	**Completion**	$2,178	**Daily Total**	$2,178
Cum Costs: Drilling	$689,228	**Completion**	$244,052	**Well Total**	$933,280

MD	9,960	**TVD**	9,960	**Progress**	0	**Days**	9	**MW**	0.0	**Visc**	0.0

Formation : **PBTD :** 9908.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: WO COMPLETION

Start	End	Hrs	Activity Description
10:00	11:00	1.0	NU 10M FRAC TREE. PRESSURE TESTED FRAC TREE & CASING TO 8500 PSIG. WO COMPLETION.

02–26–2008 **Reported By** CARLSON

DailyCosts: Drilling	$0	**Completion**	$900	**Daily Total**	$900
Cum Costs: Drilling	$689,228	**Completion**	$244,952	**Well Total**	$934,180

MD	9,960	**TVD**	9,960	**Progress**	0	**Days**	10	**MW**	0.0	**Visc**	0.0

Formation : MESAVERDE **PBTD :** 9908.0 **Perf :** 9558–9715 **PKR Depth :** 0.0

Activity at Report Time: PREP TO FRAC

Start	End	Hrs	Activity Description
06:00	06:00	24.0	PERFORATED LPR FROM 9558'–59', 9599'–9600', 9603'–04', 9609'–10', 9625'–26', 9633'–34', 9654'–55', 9679'–80', 9701'–02', 9705'–06', 9711'–12' & 9714'–15' @ 3 SPF & 120° PHASING. RDWL.

02–27–2008 **Reported By** CARLSON

DailyCosts: Drilling	$0	**Completion**	$15,280	**Daily Total**	$15,280
Cum Costs: Drilling	$689,228	**Completion**	$260,232	**Well Total**	$949,460

MD	9,960	**TVD**	9,960	**Progress**	0	**Days**	11	**MW**	0.0	**Visc**	0.0

Formation : MESA VERDE **PBTD :** 9908.0 **Perf :** 8399–9715 **PKR Depth :** 0.0

Activity at Report Time: FRAC

Start	End	Hrs	Activity Description
06:00	06:00	24.0	RU SCHLUMBERGER. FRAC DOWN CASING W/4321 GAL WF120 LINEAR PAD, 4923 GAL WF120 LINEAR W/1# & 1.5# 20/40 SAND, 27089 GAL YF116ST+ W/91700# 20/40 SAND @ 1–4 PPG. MTP 7960 PSIG. MTR 51.3 BPM. ATP 5592 PSIG. ATR 47.4 BPM. ISIP 2900 PSIG. RD SCHLUMBERGER. RUWL. SET 10K CFP @ 9495'. PERFORATED LPR FROM 9316'–17',9324'–25', 9343'–44', 9347'–48', 9369'–70', 9388'–89', 9430'–31', 9446'–47', 9455'–56', 9461'–62', 9468'–69' & 9477'–78' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING W/4268 GAL WF120 LINEAR PAD, 4469 GAL WF120 LINEAR W/1# & 1.5# 20/40 SAND, 26472 GAL YF116ST+ W/92900 #20/40 SAND @ 1–5 PPG. MTP 7708 PSIG. MTR 50.9 BPM. ATP 5324 PSIG. ATR 46 BPM. ISIP 3050 PSIG. RD SCHLUMBERGER. RUWL. SET 10K CFP @ 9285'. PERFORATED MPR FROM 9137'–38', 9143'–44', 9168'–69', 9184'–85', 9189'–90', 9225'–26', 9236'–37', 9244'–46', 9257'–58', 9262'–63' & 9270'–71' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING W/4058 GAL WF120 LINEAR PAD, 6222 GAL WF120 LINEAR W/1# & 1.5# 20/40 SAND, 36620 GAL YF116ST+ W/127000# 20/40 SAND @ 1–4 PPG. MTP 7513 PSIG. MTR 50.8 BPM. ATP 5422 PSIG. ATR 47.9 BPM. ISIP 3550 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 9094'. PERFORATED MPR FROM 8867'-68', 8927'-28', 8939'-40', 8946'-47', 8983'-84', 8988'-89', 9003'-04', 9029'-30', 9050'-51', 9068'-69', 9071'-72' & 9079'-80' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING W/4168 GAL WF120 LINEAR PAD, 6315 GAL WF120 LINEAR W/1# & 1.5# 20/40 SAND, 32386 GAL YF116ST+ W/106400# 20/40 SAND @ 1-4 PPG. MTP 8257 PSIG. MTR 50.2 BPM. ATP 6590 PSIG. ATR 45.5 BPM. ISIP 3800 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 8830'. PERFORATED MPR FROM 8626'-27', 8642'-43', 8652'-53', 8661'-62', 8666'-67', 8686'-87', 8727'-28', 8742'-43', 8777'-78', 8788'-89', 8809'-10' & 8815'-16' @ 3 SPF 7 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING W/4172 GAL WF120 LINEAR PAD, 6442 GAL WF120 LINEAR W/1# & 1.5# 20/40 SAND, 39878 GAL YF116ST+ W/139000# 20/40 SAND @ 1-5 PPG. MTP 8189 PSIG. MTR 53.2 BPM. ATP 5126 PSIG. ATR 47.2 BPM. ISIP 2370 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 8600'. PERFORATED MPR FROM 8399'-8400', 8405'-06', 8412'-13', 8419'-20', 8472'-73', 8479'-80', 8490'-91', 8506'-07', 8540'-41', 8567'-68', 8574'-75' & 8580'-81' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING W/4176 GAL WF120 LINEAR PAD, 6450 GAL WF120 LINEAR W/36400# @1# & 1.5# 20/40 SAND. LOST 2 PUMPS DURING 3# STAGE. OVERFLUSHED W/50 BW. SDFN.

02-28-2008 **Reported By** CARLSON

DailyCosts: Drilling	$0	**Completion**	$7,351	**Daily Total**	$7,351
Cum Costs: Drilling	$689,228	**Completion**	$267,583	**Well Total**	$956,811

MD	9,960	**TVD**	9,960	**Progress**	0	**Days**	12	**MW**	0.0	**Visc**	0.0

Formation : MESA VERDE **PBTD :** 9908.0 **Perf :** 7355-9715 **PKR Depth :** 0.0

Activity at Report Time: FRAC

Start	End	Hrs	Activity Description
06:00	06:00	24.0	SICP 1993 PSIG. RU SCHLUMBERGER, FRAC DOWN CASING WITH 4057 GAL WF120 LINEAR PAD, 6435 GAL WF120 LINEAR W/1# & 1.5# 20/40 SAND, 40922 GAL YF116ST+ W/130500# 20/40 SAND @ 1-4 PPG. MTP 7900 PSIG. MTR 51.2 BPM. ATP 47.2 PSIG. ATR 47.2 BPM. ISIP 3400 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 8374'. PERFORATED UPR FROM 8203'-05', 8210'-11', 8215'-16', 8253'-54', 8256'-57', 8261'-62', 8265'-66', 8327'-28', 8347'-48', 8357'-58' (MISFIRE) & 8358'-59' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING W/4191 GAL WF120 LINEAR PAD, 4247 GAL WF120 LINEAR W/1# & 1.5# 20/40 SAND, 27129 GAL YF116ST+ W/93300# 20/40 SAND @ 1-5 PPG. MTP 7173 PSIG. MTR 50.9 BPM. ATP 4669 PSIG. ATR 48.5 BPM. ISIP 2550 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 8050'. PERFORATED UPR FROM 7843'-44', 7852'-53', 7864'-65', 7870'-71', 7878'-79', 7897'-98', 7906'-07', 7914'-15', 7937'-38', 7979'-80', 8009'-10' & 8033'-34' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING W/4020 GAL WF120 LINEAR PAD, 6488 GAL WF120 LINEAR W/1# & 1.5# 20/40 SAND, 45789 GAL YF116ST+ W/160400# 20/40 SAND @ 1-5 PPG. MTP 6448 PSIG. MTR 52.8 BPM. ATP 3987 PSIG. ATR 48.3 BPM. ISIP 2100 PSIG. RD CHLUMBERGER.

RUWL. SET 10K CFP AT 7810'. PERFORATED UPR FROM 7648'-51", 7717'-18', 7723'-24', 7729'-30', 7737'-38', 7742'-43', 7769'-70', 7780'-81', 7785'-86' & 7794'-95' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING W/4034 GAL WF120 LINEAR PAD, 6419 GAL WF120 LINEAR W/1# & 1.5# 20/40 SAND, 34340 GAL YF116ST+ W/120500# 20/40 SAND @ 1-5 PPG. MTP 6406 PSIG. MTR 53.9 BPM. ATP 3901 PSIG. ATR 47.4 BPM. ISIP 2400 PSIG. RD SCHLUMBERGER

RUWL. SET 10K CFP AT 7616'. PERFORATED NORTH HORN FROM 7355'-56', 7390'-91', 7409'-10', 7420'-21', 7447'-48', 7457'-58', 7467'-68', 7474'-75', 7486'-87', 7581'-82', 7585'-86' & 7598'-99' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING W/4310 GAL WF120 LINEAR PAD, 6368 GAL WF120 LINEAR W/1# & 1.5# 20/40 SAND, 34247 GAL YF116ST+ W/120000# 20/40 SAND @ 1-5 PPG. MTP 6482 PSIG. MTR 50.9 BPM. ATP 3954 PSIG. ATR 46.3 BPM. ISIP 2100 PSIG. RD SCHLUMBERGER. SDFN.

02-29-2008 **Reported By** CARLSON

DailyCosts: Drilling	$0	**Completion**	$438,277	**Daily Total**	$438,277

Cum Costs: Drilling $689,228 **Completion** $705,861 **Well Total** $1,395,089

MD 9,960 **TVD** 9,960 **Progress** 0 **Days** 13 **MW** 0.0 **Visc** 0.0

Formation : MESAVERDE **PBTD :** 9908.0 **Perf :** 5817–9715 **PKR Depth :** 0.0

Activity at Report Time: PREP TO MIRUSU

Start	End	Hrs	Activity Description
06:00	06:00	24.0	SICP 1390 PSIG. RUWL. SET 10K CFP AT 7205'. PERFORATED Ba/NORTH HORN FROM 6933'–34', 6944'–45', 6971'–72', 6994'–95', 7000'–01', 7050'–51', 7056'–57', 7073'–74', 7165'–66', 7172'–73', 7176'–77' & 7181'–82' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING W/4167 GAL WF120 LINEAR PAD, 6467 GAL WF120 LINEAR W/1# & 1.5# 20/40 SAND, 30017 GAL YF116ST+ W/103800# 20/40 SAND @ 1–4 PPG. MTP 6719 PSIG. MTR 50.7 BPM. ATP 4693 PSIG. ATR 48 BPM. ISIP 1620 PSIG. RD SCHLUMBERGER. RUWL. SET 6K CFP AT 6885'. PERFORATED Ba FROM 6474'–75', 6489'–90', 6514'–15', 6548'–49', 6597'–98', 6651'–52', 6685'–86', 6732'–33', 6768'–69', 6803'–04', 6829'–30' & 6868'–69' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING W/4083 GAL WF120 LINEAR PAD, 8335 GAL WF120 LINEAR W/1# & 1.5# 20/40 SAND, 22147 GAL YF116ST+ W/ 69200 # 20/40 SAND @ 1–4 PPG. MTP 7041 PSIG. MTR 49.8 BPM. ATP 4536 PSIG. ATR 46.5 BPM. ISIP 1800 PSIG. RD SCHLUMBERGER. RUWL. SET 6K CFP AT 6140'. PERFORATED Ca FROM 6108'–12' & 6119'–27' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING W/2111 GAL WF120 LINEAR PAD, 4596 GAL WF120 LINEAR W/1# & 1.5# 20/40 SAND, 15602 GAL YF116ST+ W/52600# 20/40 SAND @ 1–4 PPG. MTP 3697 PSIG. MTR 36.5 BPM. ATP 2820 PSIG. ATR 35.6 BPM. ISIP 2200 PSIG. RD SCHLUMBERGER. RUWL. SET 6K CFP AT 5860'. PERFORATED Ca FROM 5817'–20' & 5833'–42' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING W/2069 GAL WF120 LINEAR PAD, 4133 GAL WF120 LINEAR W/1# & 1.5# 20/40 SAND, 14957 GAL YF116ST+ W/49400# 20/40 SAND @ 1–4 PPG. MTP 4897 PSIG. MTR 36.6 BPM. ATP 3191 PSIG. ATR 33.5 BPM. ISIP 2050 PSIG. RD SCHLUMBERGER. RUWL. SET 6K CBP AT 5731'. BLED OFF PRESSURE. RDWL. SDFN.

03–07–2008 **Reported By** BAUSCH

DailyCosts: Drilling $0 **Completion** $41,262 **Daily Total** $41,262

Cum Costs: Drilling $689,228 **Completion** $747,123 **Well Total** $1,436,351

MD 9,960 **TVD** 9,960 **Progress** 0 **Days** 14 **MW** 0.0 **Visc** 0.0

Formation : MESA VERDE **PBTD :** 9908.0 **Perf :** 5817–9715 **PKR Depth :** 0.0

Activity at Report Time: CLEAN OUT AFTER FRAC

Start	End	Hrs	Activity Description
07:00	17:00	10.0	MIRUSU. ND FRAC VALVE. NU BOP. RIH W/MILL & PUMP OFF BITG SUB TO CBP @ 5731'. SDFN.

03–11–2008 **Reported By** BAUSCH

DailyCosts: Drilling $0 **Completion** $11,930 **Daily Total** $11,930

Cum Costs: Drilling $689,228 **Completion** $759,053 **Well Total** $1,448,281

MD 9,960 **TVD** 9,960 **Progress** 0 **Days** 16 **MW** 0.0 **Visc** 0.0

Formation : MESA VERDE **PBTD :** 9788.0 **Perf :** 5817–9715 **PKR Depth :** 0.0

Activity at Report Time: FLOW TEST

Start	End	Hrs	Activity Description
07:00	06:00	23.0	SICP 600 PSIG. BLEW WELL DOWN. RIH TO TAG @ 8600'. RU POWER SWIVEL. CLEANED OUT & DRILLED OUT PLUGS @ 8600', 8830', 9094', 9285' & 9495'. RIH. CLEANED OUT TO PBTD @ 9788'. LANDED TBG AT 8319' KB. ND BOPE. NU TREE. PUMPED OFF BIT & SUB. RDMOSU.

FLOWED 15 HRS. 24/64 CHOKE. FTP- 700 PSIG, CP- 900 PSIG. 79 BFPH. RECOVERED 1103 BBLS, 14851 BLWTR.

TUBING DETAIL: LENGTH:

PUMP OFF SUB 1.00'
1 JT 2-3/8" 4.7# N-80 TBG 32.46'
XN NIPPLE 1.30'
256 JTS 2-3/8" 4.7# N-80 TBG 8267.33'
2-3/8" N-80 NIPPLE & COUPLING .60'
BELOW KB 16.00'
LANDED @ 8318.69' KB

03-12-2008 **Reported By** BAUSCH

DailyCosts: Drilling	$0	**Completion**	$3,055	**Daily Total**	$3,055
Cum Costs: Drilling	$689,228	**Completion**	$762,108	**Well Total**	$1,451,336

MD	9,960	**TVD**	9,960	**Progress**	0	**Days**	17	**MW**	0.0 **Visc** 0.0

Formation : MESA VERDE **PBTD :** 9788.0 **Perf :** 5817-9715 **PKR Depth :** 0.0

Activity at Report Time: FLOW TEST

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 24 HRS. 24/64 CHOKE. FTP- 600 PSIG, CP- 750 PSIG. 57 BFPH. RECOVERED 1364 BBLS, 13487 BLWTR.

03-13-2008 **Reported By** BAUSCH

DailyCosts: Drilling	$0	**Completion**	$4,594	**Daily Total**	$4,594
Cum Costs: Drilling	$689,228	**Completion**	$766,702	**Well Total**	$1,455,930

MD	9,960	**TVD**	9,960	**Progress**	0	**Days**	18	**MW**	0.0 **Visc** 0.0

Formation : MESA VERDE **PBTD :** 9788.0 **Perf :** 5817-9715 **PKR Depth :** 0.0

Activity at Report Time: FLOW TEST

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 24 HRS. 24/64" CHOKE. FTP 600 PSIG. CP 950 PSIG. 49 BFPH. RECOVERED 1169 BLW. 12318 BLWTR.

03-14-2008 **Reported By** BAUSCH

DailyCosts: Drilling	$0	**Completion**	$2,415	**Daily Total**	$2,415
Cum Costs: Drilling	$689,228	**Completion**	$769,117	**Well Total**	$1,458,345

MD	9,960	**TVD**	9,960	**Progress**	0	**Days**	19	**MW**	0.0 **Visc** 0.0

Formation : MESA VERDE **PBTD :** 9788.0 **Perf :** 5817-9715 **PKR Depth :** 0.0

Activity at Report Time: FLOW TEST

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 24 HRS. 24/64" CHOKE. FTP 650 PSIG. CP 1700 PSIG. 42 BFPH. RECOVERED 1008 BLW. 11310 BLWTR.

03-15-2008 **Reported By** BAUSCH

DailyCosts: Drilling	$0	**Completion**	$2,415	**Daily Total**	$2,415
Cum Costs: Drilling	$689,228	**Completion**	$771,532	**Well Total**	$1,460,760

MD	9,960	**TVD**	9,960	**Progress**	0	**Days**	20	**MW**	0.0 **Visc** 0.0

Formation : MESA VERDE **PBTD :** 9788.0 **Perf :** 5817-9715 **PKR Depth :** 0.0

Activity at Report Time: FLOW TEST

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 24 HRS. 24/64" CHOKE. FTP 650 PSIG. CP 1950 PSIG. 40 BFPH. RECOVERED 972 BLW. 10338 BLWTR.

03–16–2008 **Reported By** BAUSCH

DailyCosts: Drilling	$0	**Completion**	$2,415	**Daily Total**	$2,415
Cum Costs: Drilling	$689,228	**Completion**	$773,947	**Well Total**	$1,463,175

MD	9,960	**TVD**	9,960	**Progress**	0	**Days**	21	**MW**	0.0 **Visc** 0.0

Formation : MESA VERDE **PBTD :** 9788.0 **Perf :** 5817–9715 **PKR Depth :** 0.0

Activity at Report Time: FLOW TEST

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 24 HRS. 24/64" CHOKE. FTP 650 PSIG. CP 1950 PSIG. 35 BFPH. RECOVERED 850 BLW. 9450 BLWTR.

03–17–2008 **Reported By** BAUSCH

DailyCosts: Drilling	$0	**Completion**	$2,415	**Daily Total**	$2,415
Cum Costs: Drilling	$689,228	**Completion**	$776,362	**Well Total**	$1,465,590

MD	9,960	**TVD**	9,960	**Progress**	0	**Days**	22	**MW**	0.0 **Visc** 0.0

Formation : MESA VERDE **PBTD :** 9788.0 **Perf :** 5817–9715 **PKR Depth :** 0.0

Activity at Report Time: FLOW TEST

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 24 HRS. 24/64" CHOKE. FTP 700 PSIG. CP 1900 PSIG. 34 BFPH. RECOVERED 816 BLW. 8634 BLWTR.

03–18–2008 **Reported By** BAUSCH

DailyCosts: Drilling	$0	**Completion**	$2,415	**Daily Total**	$2,415
Cum Costs: Drilling	$689,228	**Completion**	$778,777	**Well Total**	$1,468,005

MD	9,960	**TVD**	9,960	**Progress**	0	**Days**	23	**MW**	0.0 **Visc** 0.0

Formation : MESA VERDE **PBTD :** 9788.0 **Perf :** 5817–9715 **PKR Depth :** 0.0

Activity at Report Time: FLOW TEST

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 24 HRS. 24/64" CHOKE. FTP 700 PSIG. CP 1800 PSIG. 29 BFPH. RECOVERED 706 BLW. 7928 BLWTR.

03–19–2008 **Reported By** BAUSCH

DailyCosts: Drilling	$0	**Completion**	$2,915	**Daily Total**	$2,915
Cum Costs: Drilling	$689,228	**Completion**	$781,692	**Well Total**	$1,470,920

MD	9,960	**TVD**	9,960	**Progress**	0	**Days**	24	**MW**	0.0 **Visc** 0.0

Formation : MESA VERDE **PBTD :** 9788.0 **Perf :** 5817–9715 **PKR Depth :** 0.0

Activity at Report Time: WO FACILITIES

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 24 HRS. 24/64" CHOKE. FTP 800 PSIG. CP 1950 PSIG. 14 BFPH. RECOVERED 332 BLW. 7596 BLWTR. WAIT ON FACILITIES.

FINAL COMPLETION DATE: 03/18/08

03–25–2008 **Reported By** DUANE COOK

DailyCosts: Drilling	$0	**Completion**	$0	**Daily Total**	$0
Cum Costs: Drilling	$689,228	**Completion**	$781,692	**Well Total**	$1,470,920

MD	9,960	TVD	9,960	Progress	0	Days	25	MW	0.0	Visc	0.0

Formation : MESA VERDE **PBTD :** 9788.0 **Perf :** 5817–9715 **PKR Depth :** 0.0

Activity at Report Time: INITIAL PRODUCTION–FIRST GAS SALES

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FIRST GAS SALES: OPENING PRESSURE: TP 1400 & CP 2400 PSI. TURNED WELL TO QUESTAR SALES AT 9:30 AM, 03/24/08. FLOWED 350 MCFD RATE ON 10/64" POS CHOKE. STATIC 335.

03–26–2008 **Reported By** MICHAEL WHITE

DailyCosts: Drilling	$0	Completion	$0	Daily Total	$0
Cum Costs: Drilling	$689,228	Completion	$781,692	Well Total	$1,470,920

MD	9,960	TVD	9,960	Progress	0	Days	26	MW	0.0	Visc	0.0

Formation : MESA VERDE **PBTD :** 9788.0 **Perf :** 5817–9715 **PKR Depth :** 0.0

Activity at Report Time: ON SALES

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 204 MCF, 50 BC & 80 BW IN 24 HRS ON 10/64" CHOKE, TP 1100 PSIG, CP 2400 PSIG.

CONFIDENTIAL

Form 3160-4
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No. UTU76042

1a. Type of Well ☐ Oil Well ☒ Gas Well ☐ Dry ☐ Other
b. Type of Completion ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.
Other _____

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

2. Name of Operator EOG RESOURCES, INC.
Contact: MARY A. MAESTAS
E-Mail: mary_maestas@eogresources.com

8. Lease Name and Well No. HOSS 67-29

3. Address 600 17TH STREET SUITE 1000N
DENVER, CO 80202

3a. Phone No. (include area code) Ph: 303-824-5526

9. API Well No. 43-047-38328

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

At surface NESW 1980FSL 1980FWL 40.09191 N Lat, 109.35333 W Lon

At top prod interval reported below NESW 1980FSL 1980FWL 40.09191 N Lat, 109.35333 W Lon

At total depth NESW 1980FSL 1980FWL 40.09191 N Lat, 109.35333 W Lon

10. Field and Pool, or Exploratory NATURAL BUTTES/WASATCH/MV

11. Sec., T., R., M., or Block and Survey or Area Sec 29 T8S R23E Mer SLB

12. County or Parish UINTAH

13. State UT

14. Date Spudded	15. Date T.D. Reached	16. Date Completed	17. Elevations (DF, KB, RT, GL)*
11/10/2007	12/25/2007	☐ D & A ☒ Ready to Prod. 03/22/2008	4919 GL

18. Total Depth:	MD 9960 TVD	19. Plug Back T.D.:	MD 9788 TVD	20. Depth Bridge Plug Set:	MD TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
RST/CBL/CCL/VDL/GR

22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit analysis)
Directional Survey? ☒ No ☐ Yes (Submit analysis)

23. Casing and Liner Record *(Report all strings set in well)*

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12.250	9.625 J-55	36.0	0	2668		1160			
7.875	4.500 P-110	11.6	0	9953		2155			

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.375	8319							

25. Producing Intervals / 26. Perforation Record

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A)WASATCH/MESAVERDE	5817	9715	9558 TO 9715		3	
B)			9316 TO 9478		3	
C)			9137 TO 9271		3	
D)			8867 TO 9080		3	

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
9558 TO 9715	36,333 GALS GELLED WATER & 91,700# 20/40 SAND
9316 TO 9478	35,209 GALS GELLED WATER & 92,900# 20/40 SAND
9137 TO 9271	46,900 GALS GELLED WATER & 127,000# 20/40 SAND
8867 TO 9080	42,869 GALS GELLED WATER & 106,400# 20/40 SAND

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
03/22/2008	03/27/2008	24	→	60.0	198.0	100.0			FLOWS FROM WELL

Choke Size	Tbg. Press. Flwg. 1100 SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status
10/64"		2500.0	→	60	198	100		PGW

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status
			→					

(See Instructions and spaces for additional data on reverse side)

ELECTRONIC SUBMISSION #59711 VERIFIED BY THE BLM WELL INFORMATION SYSTEM
**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED**

RECEIVED
APR 18 2008
DIV. OF OIL, GAS & MINING

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status

29. Disposition of Gas *(Sold, used for fuel, vented, etc.)*
SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
WASATCH/MESAVERDE	5817	9715		GREEN RIVER	2237
				MAHOGANY	2877
				UTELAND BUTTE	5004
				WASATCH	5191
				CHAPITA WELLS	5798
				BUCK CANYON	6449
				PRICE RIVER	7629
				MIDDLE PRICE RIVER	8396

32. Additional remarks (include plugging procedure):
Please see the attached sheet for detailed perforation and additional formation marker information.

33. Circle enclosed attachments:

1. Electrical/Mechanical Logs (1 full set req'd.)
2. Geologic Report
3. DST Report
4. Directional Survey
5. Sundry Notice for plugging and cement verification
6. Core Analysis
7 Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions):

Electronic Submission #59711 Verified by the BLM Well Information System.
For EOG RESOURCES, INC., sent to the Vernal

Name *(please print)* MARY A. MAESTAS Title REGULATORY ASSISTANT

Signature (Electronic Submission) Date 04/15/2008

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fradulent statements or representations as to any matter within its jurisdiction.

**** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ****

Hoss 67-29 - ADDITIONAL REMARKS (CONTINUED):

26. PERFORATION RECORD

8626-8816	3/spf
8399-8581	3/spf
8203-8359	3/spf
7843-8034	3/spf
7648-7795	3/spf
7355-7599	3/spf
6933-7182	3/spf
6474-6869	3/spf
6108-6127	3/spf
5817-5842	3/spf

27. ACID, FRACTURE TREATMENT, CEMENT SQUEEZE, ETC.

8626-8816	50,492 GALS GELLED WATER & 139,000# 20/40 SAND
8399-8581	62,040 GALS GELLED WATER & 166,900# 20/40 SAND
8203-8359	35,567 GALS GELLED WATER & 93,300# 20/40 SAND
7843-8034	56,297 GALS GELLED WATER & 160,400# 20/40 SAND
7648-7795	44,793 GALS GELLED WATER & 120,500# 20/40 SAND
7355-7599	44,925 GALS GELLED WATER & 120,000# 20/40 SAND
6933-7182	40,651 GALS GELLED WATER & 103,800# 20/40 SAND
6474-6869	34,565 GALS GELLED WATER & 69,200# 20/40 SAND
6108-6127	22,309 GALS GELLED WATER & 52,600# 20/40 SAND
5817-5842	21,159 GALS GELLED WATER & 49,400# 20/40 SAND

Perforated the Lower Price River from 9558-59', 9599-9600', 9603-04', 9609-10', 9625-26', 9633-34', 9654-55', 9679-80', 9701-02', 9705-06', 9711-12' & 9714-15' w/ 3 spf.

Perforated the Lower Price River from 9316-17', 9324-25', 9343-44', 9347-48', 9369-70', 9388-89', 9430-31', 9446-47', 9455-56', 9461-62', 9468-69' & 9477-78' w/ 3 spf.

Perforated the Middle Price River from 9137-38', 9143-44', 9168-69', 9184-85', 9189-90', 9225-26', 9236-37', 9244-46', 9257-58', 9262-63' & 9270-71' w/ 3 spf.

Perforated the Middle Price River from 8867-68', 8927-28', 8939-40', 8946-47', 8983-84', 8988-89', 9003-04', 9029-30', 9050-51', 9068-69', 9071-72' & 9079-80' w/ 3 spf.

Perforated the Middle Price River from 8626-27', 8642-43', 8652-53', 8661-62', 8666-67', 8686-87', 8727-28', 8742-43', 8777-78', 8788-89', 8809-10' & 8815-16' w/ 3 spf.

Perforated the Middle Price River from 8399-8400', 8405-06', 8412-13', 8419-20', 8472-73', 8479-80', 8490-91', 8506-07', 8540-41', 8567-68', 8574-75' & 8580-81' w/ 3 spf.

Perforated the Upper Price River from 8203-05', 8210-11', 8215-16', 8253-54', 8256-57', 8261-62', 8265-66', 8327-28', 8347-48' & 8358-59' w/ 3 spf.

Perforated the Upper Price River from 7843-44', 7852-53', 7864-65', 7870-71', 7878-79', 7897-98', 7906-07', 7914-15', 7937-38', 7979-80', 8009-10' & 8033-34' w/ 3 spf.

Perforated the Upper Price River from 7648-51', 7717-18', 7723-24', 7729-30', 7737-38', 7742-43', 7769-70', 7780-81', 7785-86' & 7794-95' w/ 3 spf.

Perforated the North Horn from 7355-56', 7390-91', 7409-10', 7420-21', 7447-48', 7457-58', 7467-68', 7474-75', 7486-87', 7581-82', 7585-86' & 7598-99' w/ 3 spf.

Perforated the Ba/North Horn from 6933-34', 6944-45', 6971-72', 6994-95', 7000-01', 7050-51', 7056-57', 7073-74', 7165-66', 7172-73', 7176-77' & 7181-82' w/ 3 spf.

Perforated the Ba from 6474-75', 6489-90', 6514-15', 6548-49', 6597-98', 6651-52', 6685-86', 6732-33', 6768-69', 6803-04', 6829-30' & 6868-69' w/ 3 spf.

Perforated the Ca from 6108-12' & 6119-27' w/ 3 spf.

Perforated the Ca from 5817-20' & 5833-42' w/ 3 spf.

52. FORMATION (LOG) MARKERS

Lower Price River	9250
Sego	9790

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 7

REPORT OF WATER ENCOUNTERED DURING DRILLING

Well name and number: HOSS 67-29

API number: 4304738328

Well Location: QQ NESW Section 29 Township 8S Range 23E County UINTAH

Well operator: EOG

Address: 1060 E HWY 40

city VERNAL state UT zip 84078 Phone: (435) 781-9111

Drilling contractor: PRO PETRO

Address: PO BOX 827

city VERNAL state UT zip 84078 Phone: (435) 789-4729

Water encountered (attach additional pages as needed):

DEPTH		VOLUME	QUALITY
FROM	TO	(FLOW RATE OR HEAD)	(FRESH OR SALTY)
2,250	2,260	NO FLOW	NOT KNOWN

Formation tops: (Top to Bottom)

1 _____ 2 _____ 3 _____

4 _____ 5 _____ 6 _____

7 _____ 8 _____ 9 _____

10 _____ 11 _____ 12 _____

If an analysis has been made of the water encountered, please attach a copy of the report to this form.

I hereby certify that this report is true and complete to the best of my knowledge.

NAME (PLEASE PRINT) Mary A. Maestas TITLE Regulatory Assistant

SIGNATURE Mary A. Maestas DATE 4/15/2008

(5/2000)

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CONFIDENTIAL

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

5. Lease Serial No.
UTU76042

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
HOSS 67-29

2. Name of Operator
EOG RESOURCES, INC.
Contact: MICKENZIE THACKER
E-Mail: MICKENZIE_THACKER@EOGRESOURCES.COM

9. API Well No.
43-047-38328

3a. Address
1060 E. HWY 40
VERNAL, UT 84078

3b. Phone No. (include area code)
Ph: 453-781-9145

10. Field and Pool, or Exploratory
NATURAL BUTTES

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 29 T8S R23E NESW 1980FSL 1980FWL
40.09191 N Lat, 109.35333 W Lon

11. County or Parish, and State
UINTAH COUNTY, UT

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☒ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

All material, debris, trash, and junk was removed from the location. The reserve pit was reclaimed. Stockpiled topsoil was spread over the pit area and broadcast seeded with the prescribed seed mixture. The seeded area was then walked down with a cat. Interim reclamation was completed on 11/14/2008.

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #66413 verified by the BLM Well Information System
For EOG RESOURCES, INC., sent to the Vernal

Name *(Printed/Typed)* MICKENZIE THACKER — Title OPERATIONS CLERK

Signature (Electronic Submission) — Date 01/19/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____ Title _____ Date _____

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Office _____

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

RECEIVED
JAN 20 2009
DIV. OF OIL, GAS & MINING